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Exotic beauty,

builets, and

a longing

for change

Page I



Weekend



New fabrics take the **creases** *b*ut of travelling



Tragic or heroic? Which way for golfer John Daly

Page XVIII

Clinton vows to track down bombers

Mystery surrounds identity of terrorists who killed 80 in attacks on the US embassies in Kenya and Tanzania

By Gerard Baker in Washington and Roule Khalef In London

President Bill Clinton yesterday condemned as "cowardly attacks" the bombings that killed dozens of people at US embassies in Kenya and Tanzania and vowed to bring the culprits to justice "no matter what or how long it takes".

Up to 80 people were feared dead and over 1,000 injured in the two car bomb attacks, which hap-pened near the embassies in the east African capitals at about 10.30am yesterday...

robt and one missing. Nine people were reported dead in Dar-es-Salaam. Both buildings and emergency aid workers along members from eastern Europe. heavy damage.

and US officials said there had result in prosecutions in the US, been no threats issued in and a team of Federal Bureau of to bankroll and assist terrorist advance, but Mr Clinton said the Investigation officials was among bombings appeared to have been the first to head for Kenya and

all the means at our disposal to late; they warned it could take bring those responsible to justice, years to apprehend them. no matter what or how long it takes."

"We are determined to get answers and justice," he added.

Madeleine Albright, the secretery of state, cut short a trip to Italy and returned to Washington last night. She said the US "will spare no effort to use all means at our disposal to track down and punish the perpetrators of these Kenya's President Daniel arap

Moi issued a statement condemn-Eight US citizens were coning such acts of terrorism perpe-firmed dead in the blast in Nai-trated not only in Kenya but anywhere else in the world".

the surrounding areas suffered with law enforcement officials to

Tanzania. But US officials said

US operations around the world have been the object of many terrorist attacks in the last In the last serious incident in

1996, a truck bomb exploded at a burracks near Dhahran in Saudi Arabia, killing 19 servicemen. US embassies around the world were put on heightened security alert Earlier this week the Jihad

group, an extremist Rgyptian organisation, issued a statement threatening to strike at US tar-gets in retaliation for what it said was US help to Egyptian anthori-

Jihad was one of the organisa heavy damage. east Africa yesterday. tions which signed a joint decla-No terrorist group has claimed Under American law, attacks ration in Afghanistan earlier this responsibility for the explosions on US nationals overseas can year with Osama Bin Laden, the wealthy Saudi dissident believed groups in the region. The declara-Americans.



"These acts of terrorist vioyesterday there was no indicalence are abhorrent, they are tion on who the culprits might Search for culprits, Page 5 Grief may turn to rage as dust settles on the ruins

Staring at the heap of cement Michela Wrong reports from Nairobi on a nation trying to grasp what happened blocks, shattered glass and tan-

gled metal which moments before the Kenyan businessman shook

country, we're still developing. to irapped members of a girls' our people are hungry. Why college, should this happen to us?" Gined against the wall of the

its share of looting sprees and coup attempts but is unversed in the ways of terrorism - triggered a sense of sheer stupefaction bombers, who shot their way rather than anger. Thousands of through the metal gates around office workers watched in silence. the embassy in the minutes

was an eight-storey office block, as grey-faced marines circled the before the blast. The main explo- who had been walking by. "It bedly hit." There is now a heavy se an eight-storey office office, as grey-raced martnes chrose the mast the main ergor who had been a significant of the capital sheated by flying glass. As significant of the capital sheated by flying glass and flying glass and flying flying gl

centre yesterday - unprece investigators trying to piece dented in a nation that has seen together the morning's events said they believed this might be the remains of an explosivesladen vehicle driven by the drivers still inside.

Trees were ripped up by the The massive explosion that embessy were the twisted rem-shook the Kenyan capital's city nants of what was once a car. the streets and shop windows were shattered for miles around as cars were hurled into the air like toys or carbonised with their

appeared to have survived better than surrounding buildings.

"This was a very substantial bomb and this was a very substantial building," said David Tredrea, a trauma specialist with St John's Ambulance services.

That probably saved a lot of "The passengers were burnt like inside But it sent the blast the gaping holes that were once completely, they were burnt like upwards, which is probably why chickens," said a civil servant surrounding buildings were so Bank House, a 26-storey tower

embassy itself - a solid block of and beggars looting the hundreds concrete on busy Moi Avenue - of gutted shops and offices. US ambassador Prudence Bush-

nell, originally reported to be seriously injured, escaped with light facial inturies. She was holding a press conference nearby when the blast went off.

Ordinary Kenyans appear to have paid the highest price. From

bodies were being lowered by winches, while bloodied corpses were freed from buses and taxis trapped victims to continue sin, Northwestern Mutual's sigthrough the night, and appealing for public donations of "clean" blood - free from the HIV virus.

toll is certain to rise, as traumatised victims die in the city's overcrowded hospitals. The fact that most of those victims will be Kenyans, not

Health workers say the death

Frank Russell set for \$1bn takeover

By William Lewis and John Authors in New York and Jane Martinson

Frank Russell, one of the world's leading asset management consultancy firms, is close to announcing it is to be taken over by Northwestorn Mutual, the fourth largest mutual insurer in the US, in a \$1hn-plus cash deal. People close to both US companies said yesterday that negotiations had reached the final stages and an agreement was likely to

be signed this weekend and announced on Monday. If completed, the deal will be the latest example of consolidation in the industry. There have been a spate of deals in recent months, including Mellon Bank's Management and Merrill Lynch's acquisition of Mercury Asset lianagement.

The takeover talks follow the firm's decision earlier this year to appoint Goldman Sochs, the investment bank, to consider a sale or initial public offering.

Based in Tacoma, Washington and privately owned, Frank Russell provides investment advice to more than 200 pension funds and other investment institutions which control assets worth a total of more than \$1,000bn worldwide. It is best known for advising private and public pea-

gan is the "quiet company", emphasising its conservative culture. It has assets of around \$71bn, making it the US's fifth largest life assurer and fourth largest mutual life insurer.

Frank Russell yesterday declined to comment. Analysts have speculated the sale could raise more than \$1bn and one person close to the talks said Northwestern could pay \$1.3bn.

Obuchi promises swift action

Japan's new prime minister, Keizo Obuchi, pledged "decisive and swift" action to tackle Japan's economic woes in his first policy speech to parliament. But the measures he unveiled looked neither rapid nor radical enough to convince doubters. Analysts warned that unless Mr Obuchi's rhetoric was turned into concrete reforms, sentiment could turn dangerously-negative. Page 24

Growth of US jobs moderates US jobs growth moderated in July, atthough the monthly unemployment rate was unchanged from June at 4.5 per cent, the Labour Department reported. The General Motors strike accounted for about 140,000 of last month's jobless. Page 3; Lex, Page 24

Canadian bank acts to support currency Canada's central bank intervened aggressively in an effort to stem the slide of the Canadian dollar. The surprise move pushed the currency up more than a full cent against the US dollar, but by middley about half that ground had been lost, Page 4

British clubs look at football super league British football clubs Manchester United and Amenal are involved in talks about joining a breakaway European super league with guaranteed big income flows. For listed clubs, such as Manchester United and Alex, the interests of shareholders dictate that such a proposal be taken very seriously, but the sport's governing bodies have threatened severe sanctions against clubs that sign up. Page 7

People in the News Abby Cohen and Raiph Acampera Two of Wall Street's gurus have captured the imagination of lovestors. Expressing technical concepts with easy to-understand metaphors, they can have a big impact at a critical time. But to be a guint, you also have to be right. So will their influence wave when the market follows fundamentals?



Business

Unilever's growth disappoints

Anglo-Dutch consumer group Unilever unnerved investors as it reported lower sales growth than expected and a surprise fall in operating margins with its second quarter results. Half-year operating profits, excluding exceptionals, rose 15 per cent to £1.4bn (\$2.3bn) and pre-tax profits climbed from £1.2bn to £1.5bn. Page 24 and Lex

Chicago to trade in five new commodities The Chicago Board of Trade said it planned to launch daytime elec-

tronic trading in five new agriculture commodities. The surprise move by the CBOT to begin trading in coffee, cocoe, cotton, sugar and orange juice is a challenge to the New York Soard of Trade. Page 24 Ericsson's US head to move to Motorola Swedish mobile telecommunications group Ericsson said the head of

its US operations, So Hedfors, was leaving the group to join arch-rival Motorola of the US. Motorola, struggling to regain momentum after allowing rivels to race ahead in digital cellular phones. described the signing as an important achievement. Page 23 European markets in partial recovery

European markets managed to rebound yesterday, although not by enough to erase the losses recorded earlier in the week. Most bourses were down 2-4 per cent over the five trading days. The DAX in Frankfurt gained 1.3 per cent and the CAC 40 in Paris 1.9 per cent, while the CAC 40 in Paris 1.9 per cent, while the FTSE Eurotop 100 index was 1.7 per cent ahead. London stocks, Page 17; World stocks, Page 21; Markets, FT Weekand Page XX

BNL plans \$4bn public share offer tray's privateation of Banca Nazionale del Lavoro will be launched in October with a public share offer of about 50 per cent of the Rome bank estimated to be worth \$1.7,000bn (\$4bn). The announcement was accompanied the appointment of Luigi Abete as chairman. He replaces Mario Sarchelli, who quit, claiming he was not being proparty informed about the privatisation plans. Page 23

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People in the Name7	Lángian SE17	PT WesterniSuck



JAPANESE ECONOMY YEN FALLS AFTER NEW PREMIER'S SPEECH IGNORES KEY PROBLEMS

Tax stimulus fails to impress

racking period. That appears to be the conclusion many have reached from the first big speech the new prime minister delivered to parliament yesterday.

For although Keizo Obuchi promised "decisive and swift" action to tackle Japan's economic woes, the sures he unveiled yesterday looked neither rapid nor radical enough to convince the doubters. Analysts warned that

unless Mr Obuchi's rhetoric was turned into concrete reforms, sentiment could turn dangerously negative in the coming days. As Ken Okamura, analyst at Dresdner Kleinwort Benson, said: With nothing really new having been announced, the

The currency weakened after Mr Obuchi spoke, moving close to the levels at which the US intervened to

ronouncements Mr Obuchi delivered vesterday were Some economists hope the striking. In a complete reversal of the austerity policy per cent to gross domestic that cost Ryutaro Hashimoto his job as prime minister, Mr Obuchi promised to abandon efforts to cut Japan's budget deficit for three years in an

Y7,000bn (\$48bn) more in tax Y10,000bn stimulus package this autumn to include a taxes. large - but unspecified dose of public spending.

These measures will be introduced on top of the Y16,700bn stimulus package that Mr Hashimoto produced in spring - which included Y4.000bn temporary income tax cuts and Y7,000bn public



Nacto Kan, leader of the Democratic Party of Japan, which is drawing up a list of banking policy demands

should be enough to stave not resolve Japan's immedioff a complete economic ate economic mess. The tax slump this year and next. cuts will not feed through to consumers or company pockmeasures will add up to 0.7 ets until April. Even the latest increase in public spendproduct next year. ing is unlikely to be felt in the economy quickly - not

Consequently, the steps are likely to be welcomed by Japan's trading partners, including the US, particueffort to lift the economy out larly since they include moves to make Japan's tax structure more competitive with other parts of the world cuts next April and a by slashing corporate taxes and the top rate of income

> However, the measures also have two drawbacks. They will enlarge Japan's ballooning national debt, since the cuts have not been accompanied by the other badly needed tax reforms, such as efforts to broaden

The other drawback is

Main opposition party draws up banking policy demands

The Democratic Party of Japan, the main opposition group, came out yesterday with an unusually clear package of concrete objections to the government bill to set up a "bridge bank", Gillian Tett writes. We want more

transparency and responsibility, and fast action," said Motohisa Ikeda, head of the DPJ's banking council. These policies include

calis for: an end to the LDP's cheme to use a Y30,000bn (\$207bn) financial support package to both healthy banks and weak banks; use of public money to banks (and thus nationalise them) if their collapse would

that it wants to stave off

politically painful bank clo-

to counter this pessimism.

by promising "firm" action

problem loans from banks

and a rapid implementation

of a scheme to create a

"bridge bank". But he did

not produce what interna-

to hear: clear pledges to

close weak banks and

impose rapid restructuring

Japanese bureaucrats

insist that the cynics simply

need to wait. Real change,

they argue, cannot start

sory Agency, the banking

regulator, has completed an

on the banking sector.

remove, the 'Y88,000bn

sures and job losses.

the bill to create a bridge finally serious about bankhank until the end of this ing sector reform. But since then the LDP has hinted

damage in a specific region

a commitment to close

down insolvent banks wh

transparent inspections of the banks and release the

management of banks which

are absorbed by the "bridge

a move to force the

bank" to resign;

the creation of a new

committee to oversee the

work of the Ministry of

Supervisory Agency.
The DPJ is forming an

LDP's bill in the Upper

House of parliament.

alliance with the other two

opposition parties over the

sue which could block the

Finance and Financial

there is no big regional

a commitment to

But some market participants are running out of patience. Although the Mr Obuchi yesterday tried defeat the LDP suffered in recent upper house elections has briefly whipped up a new bopes of change, investors are now growing frustrated with a year of empty. "If the government just

keeps procrastinating, the yen will fall," warned one hedge fund trader yesterday. If the yen does resume its downward trend, which has seen it flirt with eight-year lows, it will leave the US in a nasty dilemma

After all, the US Treasury justified its decision to support the yen in June on the grounds that it believed that Tokyo was poised to implement banking reform

Dealers in China rush to US dollars by 7%

Currency speculators were out in force in China yesterday - from the state-of-theart dealing rooms of Hong banks to the back streets of

in Hong Kong, the contin-ued attack against the currency lifted three-month interbank interest rates to 13.25 per cent, prompting another big slide on the stock market and drawing a. further round of government assurances that the link to the US dollar, the linchpin of Hong Kong's financial system, would be

Tung Chee-hwa, Hong Kong's chief executive, said: Our determination to maintain the linked exchange rate as a fundamental policy is strong and unwavering." The latest attack has been oiled by speculation that China will devalue its currency, with knock-on effects for the territory.

While investment banks, some acting on behalf of hedge fund clients, continued their attack on the Hong Kong dollar, a different sort on the black markets across the border.

In Shanghai yesterday, black market forex dealers were buying US dollars at RMB9 for \$1, compared with the official exchange rate of just under RMB8.3. The black market rate hit a peak of RMB9.2

In Beijing too there has been a rush to buy dollars, which are trading at roughly RMB8.8 on street corners.

also in on the act. pushing up the Hong Kong dollar rate to levels that would make selling renminbi unattractive - suggesting a reluctance to accumulate the Chinese currency.

Street dealers took their cue from speculators higher up the chain. Banks said Hong Kong dollar selling remained strong yesterday. and was again met by buying from the Hong Kong Monetary Authority, the ter-ritory's quasi-central bank. Hong Kong's benchmark Hang Seng stock index which exactly a year ago peaked at 16,673 - closed down 3.25 per cent at 7.018

Both China and Hong Kong yesterday sought to Yam, chief executive of the HKMA, said he had spoken on the phone to Dai Xianglong, governor of the People's Bank of China - the central bank - and received his pledge that the renminbiwould be supported.

vesterdav.

Markets, as ever remain sceptical. "Ultimately, you could see China stepping back from this intervention. There's no reason for them to defend it at an 8.3 line in the sand forever," said John Seel, fixed income economist at Bear Stearns Asia.

A senior official from the People's Bank of China yes terday ruled out the possibility of any devaluation of the Chinese currency in the near future. "There is no possible likelihood for the renminb to depreciate or be deval ned," he said.

devalues sinks in Shenzin currency

depreciation in the value of the Vistnamese dong against the US dollar. The move is simed at offsetting the pas-12 months' sharp fells in other south-east Asian currencies and at supporting sluggish export growth.

On Friday, the central hank lowered the bottom of the permitted trading bend for the dong against the dollar to 13.907 dong, from 12,988 previously. Foreign bankers say they expect the dong to fall again to the bot-tom of the band once regular trading resumes. On the black market in Hanoi, the dong dropped to 14,000 against the dollar as news of the devaluation emerged.

It is the third staged devalnation of the non-convertible Vietnamese currency since the beginning of the regional financial crisis last June. The value of the dong against the dollar has now fallen by almost 18 per cent over the past year, while it has appreciated by over 25 per cent against the currencies of Thailand, Malaysia, and the Philippines. Vietnamese export growth so far this year has slowed to around 10 per cent, from over 24 per cent last year.

Vietnam resisted initial pressure for a sharp devaluation of its currency in the immediate aftermath of last year's steep falls in the value of other south-east Asian currencies. The government argued at the time that a sharp devaluation would undermine efforts to build public confidence in both the local currency and the bank-

Flooding

विकासिक अस्ति । ज

Indonesia promises to halve budget deficit next year

promised to halve its budget deficit next year and cut inflation to single digits in two years, and announced stems to restructure some of its most troubled banks.

The government published

Meeting 1998

(Bad Cannstatt).

Stuttgart.

Agenda (short version)

DAIMLERBENZ

AKTIENGESELLSCHAFT

Extraordinary Shareholders'

We hereby invite our Shareholders to the

15th Extraordinary Shareholders'

September 18, 1998 at 10:00 a.m.

in the Hanns-Martin-Schlever-Halle.

Mercedesstrasse 69, D-70372 Stuttgart

1. Approval of the merger of Daimler-Benz Aktien-

2. Approval of the merger agreement between

Stuttgart, as the transferring company.

DaimlerChrysler AG, Stuttgart, as the acquiring

company and Daimler-Benz Aktiengesellschaft,

Entitlement to attend the Shareholders' Meeting and

to exercise voting rights is restricted to shareholders

below or with the company or with a German notary

Shares can also be deposited properly if with the

consent of a depository they are blocked by a bank until

the end of the Extraordinary Shareholders' Meeting.

Admission cards for the Shareholders' Meeting can be

obtained from Crista Morehead at Deutsche Bank AG

The documents concerning the merger, in particular the

merger agreement, the merger report, and the merger audit

report, are available upon request from Daimler-Benz AG,

London, 6 Bishopsgate, London EC2N 4DA.

Dept. RK/B, D-70546 Stuttgart, Germany.

Daimler-Benz Aktiengesellschaft

Stuttgart-Möhringen, August 8, 1998

The Board of Management

The depository in the United Kingdom is

Deutsche Bank AG London

deposit their shares or the certificate of their shares at

the latest by Friday, September 11, 1998 at the depository

or a bank until the end of the Extraordinary Shareholders'

who in accordance with the articles of association

schaft, Stuttgart, Chrysler Corporation,

Auburn Hills, Michigan, USA, and DaimlerChrysler AG,

Meeting which will be held on Friday,

credits and additional financing by multilateral and bilateral lenders.

Without detailing measures to reach its goals, the government said it hoped to pared with an expected 15 had already declared four of The government said the private bank branch net-uity conversion and remove come close to balancing its per cent decline in GDP this the six insolvent, but would agency hoped to sign a mem-work, and IBRA officials tax disincentives to restruct a list of ambitious targets budget within three years, year.

tional Monetary Fund last 8.5 per cent of gross domesyesterday month in exchange for IMF tic product this year, which out early next year and "significant positive growth" should be seen by 2000, com-

least because some local gov-

ernments appear to be at a

loss over how to spend the

However, the bigger prob-lem lies not with fiscal pol-

icy, but with financial sector

reforms. Without firm action

to resolve the current bank-

ing mess, Japan's economy appears unlikely to rebound

with confidence. But, signifi-

cantly, in this area Mr Obu-

chi's policy stance appears

create a "bridge bank" to

help wind up insolvent

When the LDP announced

plans earlier this summer to until the Financial Supervi-

banks, some western diplo-mats and investors hoped autumn. Meanwhile, parlia-

new cash.

ambiguous.

to complete the restructur- Bank Dagang Negara Indoning of six banks "in the next is to be covered by foreign few weeks". They are among loans. Output should bottom "55 banks taken over by the Indonesian Bank Restructuring Agency.

The government said it not say which. The largest orandum of understanding would not comment on a uring.

esia, which along with Bank Central Asia received, the. bulk of Rp140,000bn (\$19bn) in central bank liquidity support before coming under IBRA supervision.

takenly injected by her

abductors. The murder has

once again aggravated the

febrile relationship between

The most audacious crimi-

nais, though, are said to

come from the south - exem-

plified by Cheung Tze-keung,

alias "Big Spender", whose crimes are understood to

have included the \$100m kid-

napping of the son of Hong

Kong's richest man. Mr

Cheung, Hong Kong's most

wanted man, was arrested in

neighbouring Guangdone

In Shanghai, -misden

province last month.

Taipei and Beijing.

investor into one of the insolvent banks, pending transfer of its bad loan portfolio to a new asset management agency under IBRA. Bank Danamon, which claims the second largest

Eager to encourage restructuring of some \$80bn in private off-shore debt, lift obstacles to debt-for-eq-

Yangtze to be diverted

mierises harduc orchestrating the relocation of over half a million people as it prepares to divert the save the large industrial city of Wuhan from flooding. The seasonal flooding of

the Yangtze has already claimed thousands of lives and cost billions of dollars, but officials vesterday suggested there might be worse to come. "We are preparing to blow up dykes to ease flood pressure on Wuhan," one flood prevention official was quoted as

Earlier this week, another Chinese province declared a state of emergency as the rising tide threatened to burst the Yangize's swollen banks. The state of emergency will enable Hubei province to commandeer people and equipment to assist in flood control and

prevention. Torrential summer rains have raised the water level on the Yangtze and connected waterways to its highest mark since 1954, when flooding killed 30,000 people and affected 30m oth-

The flooding so far this year has already disrupted the lives of 240m people according to official estimates released by the government this week

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'Country cousins' take the rap for Shanghai crime

City is grappling with one of the penalties of greater prosperity, writes James Harding

hile Tony Tuite, an Australian factory manager working in Shanghai, was buying gro-

ceries on a recent Saturday morning, someone smashed in the front window of his car and ran off with his In most big cities, a smash-and-grab would hardly deserve a mention.

But in Shanghai, where crime has been conspicuous by its absence, the theft took Mr Tuite by surprise. "I thought Shanghai was a lowcrime city. I had heard of purse snatches and pickpockets, but I thought that was it. It was a big shock," he says.

His reaction says much about Shanghai's enviable record on crime: China's largest city had roughly 30,000-40,000 reported cases of crime last year and a furmunicipal regulations, Security Bureau.

It is a modest crime rate for a city of 13m official residents, particularly in comparison with the 795,000 notifiable offences in London last year or the 422,000 cases of violent crime and property crime in New York the vear before.

But crime in Shanghai is growing. As the income gap widens, the city's population of provincial workers swells and the state's grip on society loosens, the metropolis in the vanguard of China's economic transition is grappling with one of the penalties of greater prosperity.

Ni Ruiping, a senior officer at the city's Chief Investigation Department, estimates that the crime rate has risen by 10-20 per cent a year this

decade. "Economic reform earlier, apparently from an and liberalisation have made overdose of anaesthetic mismaintaining social order more complicated," Mr Ni

Still, Shanghai is not the badlands of China - other cities are dealing with far grisher crime problems. In Qingdao, the pictur-

esque coastal town colonised by Germans and made famous by Tsingtao beer, there has been a spate of murders, including the case of a British expatriate found dead in his apartment earlier this year. In the north-east rustbelt, where China's failing state industries have sent home hundreds of thousands of workers, more and more streets have become dangerous after dark.

In Shenyang, a city with a strong army presence and a growing army of jobless, it has become easy to buy a gun, despite the stiff penalties against individual own-

ours may be pettier, but they too are primarily driven by

financial want. Mr Ni says: "The growing income gap is one of the big causes of crime in Shanghai." Roughly 65-70 per cent of crime in the city is theft and

even most of the 2,000-2,500

A generation ago, when Mao Zedong's egalitarian revolution ther 100,000 violations of had levelled incomes in China, according to the city's Public Shanghai's crime rate was at "a low tide"

> ership of firearms in China. One resident recently said he could get his hands on a handgun, given about RMB500 (\$60) and a couple of hours. He had thought about buying one, he said, after

> being robbed at gunpoint. Last week, a bungled crime in the nearby city of Haicheng had awkward political repercussions. Three mainland Chinese people kidnapped Lin Tichuan, a Taiwanese politician, and demanded a \$200,000 ransom.

> Her body was discovered shortly afterwards in the mortuary of the city's hospi-

violent crimes are motivated by money. A generation ago, when

Mao's egalitarian revolution had levelled incomes in China, Shanghai's crime rate was at "a low tide". - thing, it executes by far the

much of the increase inbottom of the wage scale: the city's migrant workers. At the Law and Order

Department, Wu Hengjun says: "With the economic development, the migrant population has grown very quickly. There are now 3m migrants in Shanghai. They have contributed a lot to tal She had died two days Shanghai, for example, Shanghai and few drug-



building skyscrapers and highways.

But the quality of the cople is not the same as locals, and they have also made a serious contribution to the crime rate." More than half of Shanghai's crimes are committed by non-local residents, he says. The perception of "waidi-

ren" - people from out of town - as criminals has, arguably, made as deep a mark on Shanghai as the crimes themselves. Bornand-bred Shanghainese can be rude towards people they often view as untrustworthy country cousins and some migrant workers complain about police harassment. Mutual suspicion was

beightened last year by rumours of a serial killer from the provinces prowling the city. The police convicted a man from Anhui, a poor farming region of central China, who had attacked and robbed two people. He China Was executed. enforces the death penalty for a wide range of crimes from tax fraud to cattle rus-

Shanghai police blame largest himber of people in the world - more than 4,000 crime on those people at the in 1996, according to Amnesty International. expansive police force there are more than 40,000

Severe penalties and an officers in the Public Security-Bureau in Shanghai help keep the rate of violent crime low, say officials: there were only two gun-related murders last year in

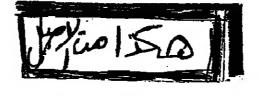
related crimes, which are punished particularly fiercely. Given the number of jobless - more than 1.3m people have been made redundant at governmentowned factories in Shanghai in recent years - social frustration might be expected to

> But, Mr Nī says, Shanghai has sought to manage the redundancies in such a way as to minimise social tensions. "Most of them [dismissed staff] are over 40 years old and this age group tands to be quite stable. The rate of crime committed by laid-off workers has been very low."

Historically, too, there are reasons why vice and associated criminal organisations should have found a natural home in Shanghai, a city that Mr Ni describes as one of the "birthplaces of modern organised crime". In the 1930s, at the "high tide" of criminal activity, there were more than 100,000 prostitutes. Last year, the PSB arrested just over 1,000 pros-

However, it is not old vices but new types of white-collar crime that represent the biggest challenge. "Business crimes are a

growing industry," says Mr Ni. "And it is having a devastating effect on state property. Each year, Shanghai loses more than RMB2bn because of business crimes. It used to be just over contracts, but now it is in all areas, finance, real estate



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NEWS DIGEST

CHINA'S FINANCIAL SERVICES

Currency curb lifted on foreign banks in Shenzhen

Beijing is to allow several foreign banks in Sherizhen, the southern city neighbouring Hong Kong, to conduct business in local currency, a further step in the liberalisation of financial services in China.

The Chinese government also plans to increase the. number of foreign banks in Shanghai carrying out business in renminbl, according to reports yesterday. Nine branches of foreign banks are currently allowed to conduct renminble business in Shanghai's Pudong district.

The State Council, China's cabinet, is expected to make an announcement soon regarding further opening of the financial sector, according to a spokeswomen of the State Council quoted by Reuters.

The People's Bank of China, the central bank, is also expected to ease restrictions on foreign banks' local currency business, including requirements on operational capital and interbank dealings.

Foreign banks were first allowed to start local currency business last year, but restrictions on operating licences have meant the business has proved far more modest than originally hoped, James Harding, Beiling

INDONESIAN CRACKDOWN

Troop withdrawal from Aceh

Indonesia's military chief said he would halt a crackdown on guerrillas in the Sumatran region of Aceh and withdraw troops, as part of attempts to damp separatist sentiments

in various parts of the country.

General Wiranto, visiting Aceh in response to recent reports of mass killings and abuse of local women by the military in the period between 1989 and 1993, said troops would be withdrawing over the next month. "I apologise to the people of Aceh if during military operations the armed forces have made you suffer." Gen Wiranto said, reversing decades of official denial of military excesses in the region. His announcement followed the reduction of troops in East Timor and hints at the military's willingness to reduce

its presence in Irian Jaya.

A parliamentary fact-finding team which visited Acah last month recommended troop withdrawal, citing army excesses. It denied reports it had found 10 mass graves of civilians and separatist guerrillas. Sander Thoenes, Jakarta

NIGERIA

State deputies named

Nigeria's new military ruler has named a new electoral commission and 15 state deputies to help prepare the

country for a democratic transition by next May.

General Abdulsalam Abubakar warned yesterday that the newly-appointed Council of State - which oversees the governments of the country's 36 states — should refrain from meddling in civilian political affairs ahead of demo-

cratic elections early next year.

The military council, appointed late on Thursday, excludes several known allies of the country's late dicintor General Sani Abecha.

Gen Abubakar also appointed a new National Electoral Commission, to be led by a 71-year-old former appeals court judge, Ephraim Omukese Akpata. AP, Lagos

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Kuchma revises budget

Leonid Kuchma, Ukraine's president, signed a decree yesterday revising the country's 1998 budget, which will pave the way for a \$2.2bn, three-year loan from the international Monetary Fund

Last week, the IMF tentatively agreed to the loan, which is based on Ukraine's ability to fulfil a number of macro-economic conditions, provided Mr Kuchma passes a revised budget calling for an overall cut in expenditure of 30 per cent for the remainder of the year. Details of the budget that Mr Kuchma signed were not immediately available.

The IMF's executive board will make a final decision in late August on whether to award the first \$200m-\$250m tranche. Charles Clover, Moscow ..

FRENCH POLITICS

Léctard under investigation

France's demoralised rightwing political parties suffered a further blow yesterday when François Léotard, president of the liberal UDF and a former defence minister, was placed under formal investigation for alleged illicit financing of the now defunct Republican party. Renaud Donnedleu de Vabres, a close associate and

UDF deputy, has also been placed under investigation. Both men have denied any wrongdoing and their supporters have suggested the FFr5m (\$838,000) suspected of being illegally provided in 1996 to the Republican party came from special funds controlled by the prime minister's office. Robert Graham, Paris

EMPLOYMENT RIGHTS

Trade unionists call for forum

International trade union leaders yesterday agreed to support the creation of a new union forum to protect crossborder employment rights and fight unemployment.
The presidents of nine trade union confederations -

including the AFL of the US, Russia's Fitur and Cosatu of South Africa - endorsed a call from the LO, Sweden's trade union organisation, to set up an international co-ordination group that would discuss the impact of the rapidly globalising world economy on labour rights.

Wage earners all over the world every day live with the threat of unemployment, impaired security of employment and increasing injustices," said Bertil Joneson, LO president. Tim Burt, Stockholm

DUTCH ECONOMY.

Strong consumer demand

Healthy consumer spending is fuelling the Dutch economy faster than expected. The Central Planning Bureau, the government's economic think-tank, confirmed it had revised its 1998 growth forecast to 4 per cent from its pre-

vious estimate of 3.75 per cent. The growth estimate, the highest in eight years, will be incorporated into the government's 1999 budget to be presented next month.

Government sources attributed the upward revision, which coincided with news of a slowdown in initiation, to stronger-than-expected consumer demand in the first half of the year. However, the bureau maintained its forecast for 1999 economic growth of 3 per cent.

Dutch consumer prices rose an annual 2.0 per cent in July from 2.2 per cent a month earlier, thanks chiefly to a slowdown in rent increases, the statistics office said. Jeremy Gray, Amaterdam

Annan proposes surprise new approach to Iraq crisis

United Hatiess in New York

general, has taken the Secuthe council's current presithy Council by surprise by dent, said the review would council came just hours access for UN inspectors. proposing a new policy of probably cover the three after Mr Annan spoke by engagement with Iraq. Council members reacted

sive ressessment" but were what would be entailed. Among the options was a quarters in New-York by issues separately. Tariq Aziz, Iraq's deputy

areas of UN relations with telephone with Mr Aziz. haq - disarmament, sancpositively yesterday to his tions and the oil-for-food is unwilling to agree to any Kuwait in August 1990. ruggestion of a "comprehenstill struggling to pin down to export oil to purchase President Bill Clinton said destroyed before the sancfood and medicines.

Diplomats said yesterday attempt to ease sanctions.

If Aman had not consulted Despite dismissing the prime minister, and the Mr Aman had not consulted involvement of visiting min- the council before suggest-

expected to play a role. . ons inspectors charged with the accord Mr Annan person-Danilo Turk, the Slovene dismantling Baghdad's ally negotiated with fraqi Kofi Annan, UN secretary ambassador to the UN and arsenel of deadly weapons.

The US has made clear it deal, a humanitarian pro- rethink of policy or change gramme allowing Baghdad in the sanctions regime. Iraqi weapons have been on Thursday that unless Iraq tions can be lifted. Until now the Security changed tack and resumed possible visit to UN head- Council has addressed these co-operation with Unscom, clear that the Security Coun-

The UN imposed sanctions, including an oil embargo, after fraq invaded Unscom must certify that

the US would block any cil did not even mention the possible use of force or even US and British diplomats "technical evaluation meetdiscuss "serious conse-



Diplomats vesterday made Annan Security Council members trying to oin down what his

isters. Mr Annan and the ing the new approach. His captable" the Security Countries. They ladden diplomat Prakash, proposal followed the Iraqi cll is backtracking from its Shah, his special representation move to suspend co-operative of "severest consecution of the captable of the Security Countries."

Although showing little noted that since the last critical doublest to threaten force, six there had been a series of \$5.2hn every six months.

remain deeply sceptical ings" on Iraq's proscribed Iraqi move as "totally unac-ceptable" the Security Com-ance. quences of Iraq's latest defi-for yet another review. They the oil-for-food limit had

US jobs growth shows signs of slowing

US jobs growth slowed down 140,000 job losses. in July, aithough the monthly unemployment rate

June to 982,000 in July. The apparel.

General Motors strike "Growth is allowing signifi-directly accounted for about cantly," said Charles McMil- The electron

The department said the monthly unemployment rate economy gained 66,000 jobs was unchanged from June at last month, compared with 4.5 per cent, the Labour an increase of 196,000 in large number of people drop-Department reported yester- June. Vehicle manufacturing ping out of the labour force." was hit by the CM strike, According to a survey of with a loss of 111,000 jobs. individual bouseholds the There were also losses in number of unemployed menfabricated metals, primary ufacturing workers metals, industrial machinincreased from 748,000 in ery, rubber and plastics and

lion of the Washington-based consultant MBG Economics. consultant MBG Economics. lost jobs, while employment "The unemployment rate in textile mills continued its would have risen but for a slow, long-term decline. But inflationary pressure coming from the jobs sector. Produc- and it has grown at an avertion workers' wages rose age annual rate of almost 5 chairman of the joint eco-from an average of \$14.27 and per cent, twice the pace of nomic committee, said the would not have concurrent

July, according to prelimi-

The electronic components and food products industries jobs increased in the aircraft sector, and construction con-He said there was little tinues to boom. The sector bottomed out in July 1992.

Labour Statistics, said that ment policy but because of even services were affected the efforts of "workers. by the GM strike. investe However, job gains during neurs.".

was a sharp 69,000 rise in Reserve chairman, for restaurant workers within "gently squeezing inflation the retail sector. Jim Saxton, Republican and disproving the

July were broadly based our-

hour in June to \$14.35 in overall employment growth. expansion, which began in declines of inflation and Katherine Abraham, com- 1991, continued to generate unemployment".

missioner of the Bureau of Jobs, not because of coverninvestors and entrepre-

He gave credit, however. side manufacturing. There to Alan Greenspan. Federal out of the economic system'

Hannels Remise
At constant rates of exchange, tales fell by 4% over the corresponding period last year. However, excholing the disposal of Speciality Chemicals, sales in continuing operations rose by 5%. On this basis, operating profit before careptional isens increased by 19%. Exceptional isens were positive in the half year, as campared with a charge in 1997, resulting in an operating profit after exceptional items 7% aband.

Textuoding the profit on disposal of the chemicals businesses in 1997, profit before tax increased by 20% as a result of the positive swing in interest const. No profit increased by 24% reflecting a lower no state. At exchange states correct for each period, set profit increased by 12% in secting and 14% in US dollars, reflecting the relative strength of those currencies, and increased by 22% in guilders.

CONSOLIDATED PROFIT AND LOSS ACCOUNT - CONSTANT EXCHANGE RATES (managed) In she profit and loss account given below, the results in both years have been translated at comme exchange mass, being the amount awarage enchange mens for 1997. This reporting convention sociitat

504	صي اسه		E williams		High Aces.	
1996	1997	hes/ (Decs.)		1998	1987	Deca/
7,408	7,950	. (7)%	TUENOVAR	14,420	15,109	(4)
7,408	7,281	2 %	Continuing operations	14,480	13,652	51
-	649		Discontisued operations		1,277	_=
686	794	(13)%	OPERATING PROPER	1,408	1,580	75
689	739	(4)%	Continuing operations	1,498	L,156	221
_ :	75		Discontinued operations	-	164	
690	716	(0%	Operating Profit ISE - Continuing Operation	1,596	1,219	-15 9
= .	2,858	-,	Profit on sale of chemicals businesses	-	2,656	
722	3.40 <u>4</u>	(79)%	PROFIT BEFORE TAXATION	1,475	5,896	(E)
(210)	(796)		Taxation	(479)	(980)	
512	2,806.	(20)%	PROPIT AFTER TAXALION	997	2,906	(06)
(40)	(42)		Minority Interests	(65)	(56)	
	2,566	(62)%	NET PROVIT AT CONSTANT 1997 EXCEANGE BATIS	982	2,853	(67)
472	465	1%	Net prelit - excluding profit on sale of Chemicals business	992	755	· 20 1
67	2,513	(ES) %	NET PROPER AT EXCHANGE RATES CURRENT IN EACH PERIOD	968	2,809	(70)
437 ···	475	(6)%	Not profit - excluding profit on sale of Chemicals business	868	769	129
5.85p	33.61p	(95)%	COMBINED EARNINGS PER SHARE - per 1.55p of ordinary capital	11.50	p 57.55p	(70)

		(6) Jan	of Change Labors .	980	res	12.7
5.85p	33.61p	(20)%	COMMENSED EARNINGS FER SHARE - per 1.75p of ordinary capital	11.50	p \$7.55	(70)9
The us	dernoted a	antiyais matiyais	TON (numbers) IS REPORE EXCEPTIONAL FIELD provides supplementary information on The results shower exclude the exceptional international speciality chemicals businesse	incest rates	Stimed re in operati	snits for ing profit
- 5-	جاسني لس		· Luifford		Bull Year	
1000	1997 - 1	/	At constant exchange rates	1996	1997	loca/
	. 0		-			
690	. 00	leas).	Operating Profit	1,596	1,383	(Decz.)
690 -	791 291	leas).	Operating Profit Operating Profit —			(Decz.) 1%
690 690	715	(4)%	Operating Profit Operating Profit— Continuing operations*	1,596	1,983	(Decz.) 1%
690	715 745	(15)%	Operating Profit Operating Profit— Continuing operations*	1,556	1,383	(Decz.) 1% 15%

neve has been no algorificant change in economic conditions in Europe and North America and dusts continue to develop relatively invorably. The difficulties in Europe and North America and dusts continue to develop relatively invorably. The difficulties in Europe Alam economics remain a secura is the medium term and we have also seen algor of economic doublooks in a number of countries other developing and emerging sambers. Our operations, however, remain firmly based and our market detections.

profits were boosted by a half year which, for reporting purposes, was six days longer than the agpected has your there will be some reversal of this benefit in the second half was. "The same ne in sundering inventorious, notably in Europe and North America, which impacted

To explain the trends in the injuriess performance, the following commentary on the regions deals with se conducting businesses, and is based on operating graffs before emerational tiems, se comment sacpe, sales were 2% lower due to the Impact of huminest disposals and the pressing of non-pole

In Europe, sales were 2% lower due to the impact of humans disposals and the pruning of non-pointing categories. Underlying volume growth was higher than in the same period has year, alsed by the necessite humans of humans of the sales of markets and continued strong growth in several personal care categories. We also achieved natificatory volume growth in though, especially to ser-based beverages, calizary and yellow fats. Market shares improved in most of our priority categories. We continue to benefit from reproducing and, despite substantially higher marketing investments and increased taw material cours, we have again improved materian, must canable in our foods operations.

In North Associat, sales grew by 4% despite disposals. Our foods humans had a better sales performance and we achieved good growth is our same personal care business, especially in hoir care following a successful product humans. Despite higher marketing investments operating peaks grew strongly; within this, there were good performances in house and personal care, while the results in floods were fig. Out all operating stamps has improved over the corresponding peeled line year.

The imagnation of the Lipana Foods businesses has been completed and the integration of the three managements home and personal care businesses has been completed and the integration of the three managements home and personal care businesses has been completed and the integration of the three managements home and personal care businesses has been completed and the integration of the three

The integration of the Lights Points formering the proof compacts and the integration of the infect immediate those and personnel care businesses is progressing well.

In Africa and Middle East, mice were up 10%, with good growth in yellow fan 20d all home and pensonnleave entegrates. Volume growth was about of the same period in year reflecting the focus on compact goods categories. Froling grow strongly is a nearly of good periodicances in Arabita, Rapps and South Africa and a transreound in Kenya. Higher commodity, prices the bounted sales and profits of our plantations operations. Overall operating sumplies are well about of few year.

Land E. E. Periffer eith reconstant Dr. 1955. Institute the profit of the price increases in a number of their Admit

and a terrateoust in Kenya. Higher commodity priors this bounter uses and power or the presence of the prior increments of the prior increments in a number of East Asian (counties, in the councy of the half year there has been a development in this subergion, especially in Indonesia and Thalland, reflecting the describenting commic environment. However, we have summarized at active programme of controlled in the product banches and our meters positions remain strong. Sates and profits in India harmand inarbody resulting from significant marketing initiations and situres increased in all congenies. Our new sustants aid organization in China is developing well, but the benefit, in either when or profit, are still some way off.

In Lada America, the sites increases of 9% reflects good growth across the region, including the benefit of amphitions; more thanking the extensive of 9% reflects good growth across the region, including the benefit of amphitions; more thanking the extensive statement in the activity were up amongly in personal case and fronts, the latter benefiting from the good contribution from librar and an improved performance in culture, we have increased market states in all priority congrams. There was strong profit intertwement in Result and Chile, and the significant portfolio changes made in 1997 resulted in good energin growth.

SECOND QUARTER 1996

in Boult and Calle, and the agrangest portions changes make in a service in general many grant and Calle, and the agrangest portion (Callette 1998). At constant rates of exchange, sales decreased by 7%, over the corresponding period but your. However, excluding the disposal of Specialty Chemicals, sales in continuing operations rote by 2% and operating partit, both before and other exceptional tens fell by 4% as a result of a substantial increase in marketing investment. Profit before two defined by 5%, excluding the profit on the disposal of the chemicals. regardence. Profit before her declined by 3%, earlyding the profit on the disposal of the chemicals indoceses in the place of the profit of the profit of the profit of the chemicals indoceses in the paint profit regarder. The lower see rate for the period left net profit broadly unchanged. At exchange rates current for each period, not profit decreased by 8% is strong and 6% in US dollars, effecting the relative strength of those currentless, and decreased by 1% in guilders.

difficulties in East Asia and the effects chevebere. However, our moderning business performance continues to be encouraging with good progress in Europe and North America. We remain confident that

resing this threat as a critical corporate priority, working both with internal processes, and with inverse partners to ensure the smooth functioning of the supply chain. Uniferer has been ming for the licer 2000 issue since 1995 and especia that overall compliance within Uniferer will mostly chieved by the end of 1996. Covering Uniferer in its broadest scale, in that it operates in over 90 countries of the contract of the con see accessed by the cost of 1980. Covering Uniterest at its present scale, to that it operates in over less committee, and allowing for constingent costs related to problems associated with customers and suppliers and the outgoing management and remedial work associated with the bug during 1999 and 2000, the estimated total costs of dealing with the millennium bug are about £300 million; this covers costs from when the project started in 1995 through to expected completion in 1995. The relevant costs for each year are

In the second year in reason so the homopeon becomen Union, and with the noticest of a single currency of a linear price transpairency across Europe. The Netherlands is participating however, for the time being, the United Kingdom is not. One of the consequences is that the Dunch guider will be replaced by the EURO by 2000; however, earlier adoption is permitted. As a result, Uniferer NV will publish supplementary information in EURO's in 1999 and replace the guider in the EURO as from the year 2000. Uniferer will begin to unstertake EURO contracts for inveign exchange

The main movement in the balance them at the ball year compared to end 1997 it in working capital. This The main movement in the balance meet at the man year computed to end 1997 as at wavining capital. I mainly due to the seasonality of the business.

Not finels at the half war of £2,966 million are moneyobst lower than end 1997, mainly reflecting higher outflows on working capital and payment of the final dividend. Not generally remains zero.

Total Capital and Reservos increase by £544 million due to profits to the half year, partly offset by currence.

Cash flow from operating activities at £1,058 million is at line with the same period last year.

CONDENSED BALANCE SHEET (manifold)

£ milions	As as 4 july	As at 31 December
	1998	1997
Goods-4II	199	-
Fixed seem	5,946	6,107
Stocks	3,700	5,111
Deburs	4.751	4,176
Trade & other creditors	(5,964)	(6,702
	8,265	7,392
Net debt /(fembs)	(2,9%)	251,23
Provisions for Unbilities and charges	2,801	247
Minority interests	300	312
Capital and reserves	R,DGD	7,416
	8,263	7,392

CASH FLOW STATEMENT (manufied)	Half	New Year
	1995	1997
Cash (low from operating activities	1,05R	1,899
Returns on investments and servicing of figuree	21	(14)
Theation	(334)	(290
Capital expenditure and franchi investment	(426)	(417
Acquisitions and disposals	(33)	25
Otsidends paid on ordinary share capital	(466)	(294)
CASH INFLOW/(OUTFLOW) BEFORE MANAGEMENT		
OF LIQUID RESOURCES AND FINANCING	(180)	(119
Management of liquid resources	(156)	(746
Financing	440	620
INCREASE/(DECREASE) IN CASH IN THE PERIOD	104	(235)

Adaptionars were necessarily a superstance and operating profit of acquisitions made in the per-the continuing business was £41.4 million and £2.9 million respectively. In 1997, the speciality the businesses were discontinued as at the 8th July 1997. There were no discontinued operations in the fit

The condensed balance sheet as at \$1 December 1997 has been expected from the full Group Accounts on which the auditors gave an unqualified opinion, and which have been delicated to the Registrar of

The results for 1990 and the comparative figures for 1997 have been translated at constant average rates of enchange, being the annual average rates for 1997. For our reporting currencies these were £1 = F1.3 18 = US \$1.84. In addition, the net profit, entrainings per above and cash flow statement have been translated at rates currency in each period. For our reporting currencies, does were.

Second Quarter Haif "item

£1 • FL \$15 = US\$ 1.65 In order to contain our constant rate reporting conventions and to ensure that trends in results in string, guildens and dollars are identical, the results for the chemicals discontinued operations in first balf 1997 and the profit on disposal of the chemicals businesses have been restated in all cases at sverage 1977 exchange

rates. In 1997 the results of the discontinued operations were accounted for at a weaver rates prevailing up to the date of disposal, and the profit on the sale of chemicals was translated at the exchange rates pressiling on 8th July 1997.

The balance short figures have been unministed at period-end rates of exchange. For our reporting currendes these were £1 = FL 3.38 = US \$1.55 at the half year 1998 (51 December 1997: £1 = FL 3.34 =

With effect from 1.1.56 the UK Sametard FRS 10 on groothest is being adopted. Goodwill on acquisition With effect aron. 1,128 the UA SERREMO PAS 10 on goomes a sering anopies, Locareta on arquismons after this date will be capitalised on the Group Balance Sheet and amortised in operating profit were periods of up to 20 years. Previously goodwill was written off to reserves on acquired. Coodwill will be amortised in results from the quarter following the quarter in which it is acquired. There is no exact tail impact for this change in Q2 1998. Goodwill an acquisitious prior to 1,1,38 will not be capitalised nor will prior year results

The results of the third quarter and announcement of interior dividends for 1998 will be published on ies Underer Press Office (171 (#2 4065, e-mail: press-office.load



Congo leader turns on his former supporters

President Laurent Kabila Mr Museveni and Rwanda's yesterday signalled the collapse of the alliance that helped bring him to power when he accused Uganda's President Yoweri Museveni, once his leading supporter,

erstwhile ally, of supporting the spreading rebellion against his 15-month-old gov-

beleaguered have a special message for powerful vice-president and defence minister. Paul

"I will tell these gentlemen to withdraw their soldiers from Congo. I will say, 'You of aggression.

Mr Kabila has already accused Rwanda, his other are an aggressor, Mr Museveni, Mr Kagame. Withdraw from Congolese territory'." The confrontation with

Uganda has raised fears that Mr Kabila may forge a new partnership with former Hutu militia who fled

a summit at Zimbabwe's Vic- Rwanda after the 1994 geno- presidents have long been attending the Summit, made clear that his ultimate have been captured by rebtoria Falls, he said he would cide of Tutal. The Tutal now strained, Earlier in the day, including Ben Mukapa of target was Kinshasa and the els. dominate the Kigali govern-

John Nagenda, President Museveni's media adviser, southern border with Zamrejected the allegations as absolute nonsense".

"We are hearing things that we thought had gone out with [ousted President] Mobutu [Sese Seko]," he said. "We are not involved now, as we weren't during Mobutu's time."

relations between the two Seven African leaders are rebel 10th army battalion, company, were reported to

Mr Kabila met a team of South African ministers in Namibia, Frederick Chiluba Lubumbashi on the Congo's of Zambia and Mr Museveni.

will be able to normalise the situation. That will be our message," South Africa's foreign minister, Alfred N20, said before the meeting.

The absence of South Africa from the Victoria appeared increasingly However, Ugandan offi- Falls meeting raised doubts remote after Sylvain Bikecials privately concede that about its likely impact.

Tanzania. Sam Nujoma of

President Robert Mugabe of Zimbabwe, who is hosting the meeting, said he hoped the conflict would not "escalate and cause political turmoil to the whole of the Southern African region and scare away investors".

A diplomatic solution

overthrow of Mr Kabila.

"A political settlement were now targeting the would entail that we keep Mr Kabila in his position and we are totally against that. We believe that the Congo needs new leadership working under a broad-based government." Mr Bikelenge

Mr Bikelenge said his forces had captured the oil town of Muanda in the west, where two employees of lenge, the commander of the Chevron, the American oil

He added that other units southern town of Kalemie. gateway to the copper-rich Shaha province Mr Bikelenge confirmed

that the border town of Uvira near Burundi and Kamanyola, another eastern town, were controlled by the

Officials in Kinshasa said an overnight curfew had been imposed in Kisangani. earlier in the week.

IBM to withdraw **Olympic** Games

and Roger Taylor in San Francisco

IBM is to end its sponsorship of the Olympic Games after 40 years, because it is unwithing to work alongside other information technology companies, the International Olympics Committee said

Pascal Wattiaux, director of technology at the IOC, said there were two reasons for the "joint decision" between IBM and the IOC to end the sponsorship.

He said they disagreed over the IOC's decision that in future it wanted IBM to share the provision of information technology (IT) services to the Olympics with other companies.

While the IOC wanted three or four top IT companies to provide the technology for the summer and winter games - with each chosen as an expert in its own particular field - IBM insisted on remaining the sole supplier.

"IT is critical to the Olympic Games and we value the multiple-supplier solution where you can take advantage of what the best IT-providers in each sector have to offer," said Mr Wattiaux.

He added that the IOC believed the multiple-supplier policy would also be a more cost-effective solution to the games' IT needs, and would ensure the Olympics kept up better with the rapid evolution of technology.

IBM said yesterday that it ently should be integrated" and that "the technology sponsor should be unique" but that the main hurdle to an agreement with the IOC had been price.

It is understood to have spent \$100m on the Nagano winter Olympics and is cheduled to spend a good deal more on the Sydney games in 2000.

IBM added that it was not reducing its sponsorship budget but was now looking at other international sport

Mr Wattiaux denied that the highly publicised technology problems that dogged the Atlanta Olympics in 1996 were the reason for the split with IBM. "Atlanta is part of the past. The problems faced there have not been a major factor in this decision," he

Mr Wattiaux said the IOC had been working for several months on lining up the replacements for IBM, but had not yet signed any deals. IBM will end its sponsorship after the Sydney Games

Canadian bank supports C\$

Canada's central bank vesterday reversed course and launched its most aggressive intervention since January in an effort to stem the slide of the Cana-

The surprise move, at the opening of the North American trading day, pushed the Canadian currency up more than a full cent against the US dollar, but by midday about half that ground had

Currency traders claimed the Bank of Canada had spent at least US\$500m and perhaps more than US\$1hn huving Canadian dollars, on a day when the dollar was unlikely to stop the erosion

an estimated US\$500m to effort to stop the currency's sharp fall on Thursday.

Several traders said the bank, which had rarely intervened despite a nearly 5 per cent drop in the currency since the beginning of June, had now drawn a line in the sand and appeared determined to prevent the Canadian dollar from sliding

below 65 US cents. The two-day action dwarfs the US\$406m the bank spent defending the currency in the entire month of July. Canada's foreign reserves stood at US\$22.5bn at the

end of last month But the intervention is

reserves or follows up its increase in Canadian interest rates. It is reluctant to raise rates, because inflation is still low and the economy is slowing.

bank's most aggressive since January, when it spent US\$1.6bn propping the currency and supported the intervention with a 50 hasispoint increase in interest cents

Yesterday's action was the

The intervention caught the currency markets off- for the predictable fashion in guard because the bank actively bid the dollar up, a the market. Critics said this shift from its usual pattern had made it too easy for curof intervening in an orderly rency traders to bet on the thinly traded. This followed of the Canadian dollar fashion only to stem the dol-

US\$600m spent in a futile continues to spend its anything this scale for a long time," said Len Campintervention with an bell vice-president and manager of foreign exchange for Citibank Canada. The intervention started

when the dollar fell in early trading to 65.13 US cents, a quarter-cent down from Thursday's close. The bank's buying forced the dollar up to 66.16 US cents in the morning, but by mid-day it had fallen back to 65.7 US

tral bank had been criticised which it had intervened in



Debt blow to confidence in Russia

By Jeremy Grant in London and Charles Clover in Moscow

fidence suffered a blow yesterday when the price of its dollar debt plunged to historic lows and the stock market hit its lowest level in 26

10 Russian banks were gramme. downgraded by credit rating

agency Fitch IBCA. The fall in Russian markets highlights the increasing difficulty Moscow faces Isaac Tabor of West Merin convincing foreign investors that it is tackling

are sending the opposite sig-

Despite the confidence generated by the IMF-led programme, which caused a brief rally in the market, equity buyers have become more pessimistic because of what they see as a lack of concrete results from the government's austerity pro-

"There is a collective depression shaping people's moods and it's just very difficult to turn it around," said chant Bank.

Yesterday the RTS, the medium- and long-term debt. month.

market, hit 132.8, compared to the previous low of 134.8

The last time the stock market was at such low levels was May 24 1996, immediately before presidential The most widely watched debt, restructured Soviet-era

paper known as Prins, fell to 36 cents on the dollar yesterday - a fresh historic low. A week previously, it was at 43 The main reason for the drop in the price of debt is

that was part of Moscow's efforts to improve its finances. But it also added 40 per cent to the total stock of outstanding foreign currency debt. Bankers said foreign

a recent debt swap scheme

banks had been dumping such debt this week, with the slide in prices exacerbated by gloom in emerging markets globally.

However, Russian officials yesterday pledged a fresh crackdown on suspected tax dodgers and promised to chronic oversupply of increase revenues every

Four-day fire brought under control in Greece

brought under control a blaze which had destroyed more than 100 homes and several hundred acres of pine-forest on the northern outskirts of Athens, A man was found burned to death in his car when the four-day fire subsided, police said.

The government declared a state of emergency in the Athens. Firefighting aircraft

been called in from Italy, Germany and France to combat fires raging in southern Greece and on the Ionian island of Kefalonia, A two-day blaze near the site at Olympia, home of the ancient Olympic Games was still burning yesterday, local

officials said More than 3,000 forest fires have been reported this summer. A 10-day heatwave hampered firefighting efforts.

order minister, blamed arsonists for setting many fires to clear land for speculative building. He said the fires had destroyed a record 400,000 acres of forest and grazing land.

The government has come under attack for transferring responsibility for firefighting earlier this year from the forestry service to local fire brigades, and for failing to renew Greece's elderly flee

Taliban at gates of last outpost of resistance by Afghan militias

Afghanistan's Taliban militia has stormed its way to the outskirts of Mazar-i Sharif, the last big city in four-year campaign to spread fundamentalist Islam

throughout the country. Experts say the city could fall at any time, sealing Taliban rule throughout the country. But the predominance of foreign interests in the Afghan conflict means the consequences of a Taliban victory could reverberate far outside Afghanistan's

Foreign experts, many of whom view the Taliban as a creation of the Pakistani army, agree that if it manages to retain control of the city, it would fundamentally alter the balance of power in southern and central Asia. affecting flashpoints in a Pajikistan to Iran.

"If the whole of Afghanstan comes under Taliban control, it is a great victory for Pakistan and a great loss for us," said C. Raja Mohan, a New Delhi-based strategic affairs analyst. "We want to see an independent and autonomous and moderate Afehanistan." Mazar-i-Sharif, a provin-

cial town near the vast at its extremism. Hindu Kush mountain range in the north of the country. became the capital of the opposition to the Taliban movement after Kabul fell to thy in several parts of the the Sunni-fundamentalist Arab world.



Militias made up of Tajik. Uzbek and Shia ethnic groups sprang up in resistance to the Taliban, whose roach to Islam has led it to ban television, photographs and even kite-flying. But the northern coalition has slowly been pushed back by the superior numbers. weapons and funding of the Taliban, predominantly made up from the Pashtun ethnic group from the south

of the country. Pakistan strenuously denies backing the group and the Pakistani policy establishment is divided between those who support the Taliban as Afghanistan's only workable potential government and those who halk

But the Taliban's resources are ample compared with those of its rivals and it has also won sympa-

By contrast, the fall of Kabul in 1996 cemented an alliance between Russia and Iran to back the northern

A Taliban victory in Afghanistan could strengthen Pakistan's political influence in the southern Asia region at the expense of Iran. It could also further aggravate tension between India and Pakistan, who are already engaged in a standoff over the mountain territory of Kashmir. Masar is on a road that fravels directly into the territory.

"Once they (the Taliban) reach the Pakistan-occupied Kashmir border, any attack into Kashmir is a minute's job. Then the entire policy of the Pakistani army is accomplished," said P. Stobdan, a senior fellow at New Delhi's Institute for Defence Studies and Analysis. "It's a massive strategic game."

For its part Russia has historically sought to preserve state. Further dominance by the Taifban would leave the "soft underbelly of Russia", as Russian strategists refer

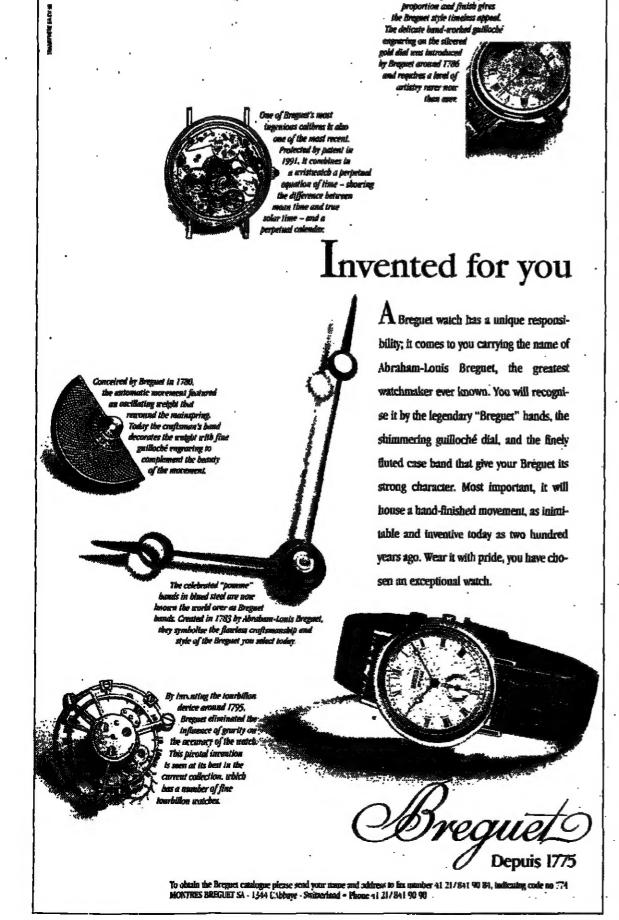
to central Asia, exposed. Taliban commanders have often threatened in the past to cross into both Uzbekistan and Tajikistan, on Afghanistan's northern border. "In many parts of central

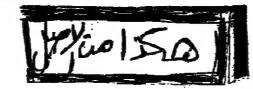
Asia, the soil is ripe for fundamentalist Islam to take hold," said Irina Zviagelskaya, a central Asia expert at the Russian Centre for Strategic Research and Inter-national Studies in Moscow. But some experts think that even if the Taliban was to take Mazar-i-Sharif, it was unlikely it could hold the

city for long.
The Taliban briefly captured the city for three days in May 1997, after a key northern commander switched sides. But when it tried to disarm the population, fighting broke out, and the city's streets became a killing zone in which an estimated 500 Taliban fighters died. The bloodbath was the most stunning defeat the Taliban had suffered.

"Whatever the Taliban gain on the ground, unless they come to an understanding with the non-Pashtun factions, they will not be able to hold their territory for very long," said Ikram Sehgal, a leading Pakistani defence affairs analyst.

"Without such an accommodation, the danger for the Taliban is that they will keep on going up and down.





Restructuring may delay tunnel link work

By Jonathan Ford

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London & Continental Rail-

Advisers to the project believe too much work still remains to be done negotiating the contracts under

could rapidly fall months behind schedule because of the onset of winter.

It also plans to issue 680m give holders an interest only

raise further finance. LCR's

neither of which have yet project on an interim basis. weeks. The new shares will tract until 2010. Until the restructuring is (\$132m) of new shares to pro- in the future value of the ted to attract interest from London is finished in 2008. by the government in June, completed, LCR cannot draw is unlikely to have completed its financial restruction raised for the link, which it has been underwriting LCR's because Railtrack, the rail tax losses from the company as long as they own more If work does not start at the debts since its collapse in infrastructure group, has as long as they own more

LCR intends to issue an National Express, the former exchange, they will receive

them to a repayment of half their capital on completion of phase one, and the rest when phase two, to central Once the restructuring is complete, LCR will receive

from two sources. The company is planning to issue up to £2.65bn of bonds, backed by a government guarantce. It is also raising £700m through a bank loan guaranteed by

NEWS DIGEST

HONG KONG

MPs urge voting reforms in 'flawed' democracy

Democracy in Hong Kong is "seriously flawed" and elections to the former colony's legislative council should be reformed, an influential committee of MPs said yester-

Two-thirds of the council's seats were decided by just 140,000 voters out of an electorate of 2,8m, the House of Commons foreign affairs committee noted in a report a year after the handover to China. There was, however, praise for the conduct of the Chinese authorities. "We welcome the clear continuation of the right of free demonstration in Hong Kong," the committee said. "The actions of the police and the civil authorities do not appear to have

altered since the handover." It noted that the annual candielit vigil to mark the Tian-anmen Square massacre passed off peacefully. Pro-de-mocracy activists had feared China would clamp down on demonstrations after Hong Kong became a Special Administration Region on July 1 1997. Under "one country, two systems". China promised Hong Kong a high degree of autonomy, except in foreign affairs and defence. But the MPs also called for elections by universal suffrage for the post of chief executive, occupied by Tung Chee Hwa,

SUPERMARKETS

Own-brand sales 'near limit'

Sales by supermarkets of "own-tabel" packaged grocerie such as cereal, baked beens and washing powder are close to their limit, according to an analysis by Taylor Nel-son Sofres, the UK's largest market research company. Information from the company's Superpanel - 11,000 households that scan all their grocery shopping - suggests that in some areas growth in own-label sales has already begun to decline. At Tesco and Safeway, two of the UK's largest supermarket chains, sales of own-label products as a proportion of packaged groceries sold are flat at about 47 per cent and 43 per cent, respectively. At J. Sainsbury, another of the four largest supermarkets, own-label sales have slipped from a peak of 56 per cent in 1994 to 52 per cent this year. Allson Smith, London

SOCIAL WORK

Glasgow strike splits union

Glasgow city council yesterday won an interim interdict -the Scottish equivalent of an injunction - ordering the trade union Unison to dissociate itself from a strike by the city's social workers. About 2,000 staff have been on unofficial strike since Monday in protest at the suspension of two colleagues who rafused to co-operate with the council's plan to transfer 3,000 home helps from the social work department to catering and domestic services. National officials of Unison oppose the transfer but have urged their members to return to work and accept terms including new working practices, agreed this week between the union and the council. However, the proposed settlement was overwhelmingly rejected at a mass meeting on Thursday, and local union branch officials are supporting the strikers, thus splitting from their national colleagues. James Buxton, Edinburgh

THE ECONOMY

Minister warns on pay deals

(1) BE HAPPY TO FOREGO MY BONUS PROVIDED THEY MADE IT

WORTH MY WHILE

£

growth, Stephen Byers, the chief secretary to the Treasury, warned last night. In his first important speech since joining the cabinet, Mr Byers reinforced the chancellor of the exchequer's plea for private employers to follow the public sector's lead on pay restraint. In another government swipe at "fat cat" salary increases, Mr Byers said: "Al of us starting from the boardroom outwards must now show the responsibility that the country needs." Mr Byers

ses will lead to higher

interest rates and slower

that the cabinet had decided to forego pay rises awarded just before the election for another three years. He said the decision would be made in the autumn. But senior ministers are convinced the two-year freeze will be extended. However, Kim Howells, industry minister, said vesterday the government was keen to see pay increases at the bottom end of the scale. Mr Howells urged employers not to exploit holiday staff taken on over the summer with low wages. He pointed out that the national minimum wage that comes into effect in April will prevent such exploitation next summer. The opposition Conservative party claims the introduction of a minimum wage will stoke inflation more than high salary rises at the top of the pay scale. David Wighton, London

NATO SUMMIT

Birmingham to host meeting

Birmingham, England's second-biggest city, is to host the Nato defence ministers' meeting in October 2000. The city, in the English midlands, this year played host to the G8 summit - as well as the Eurovision song contest - and expects 1,000 delegates and 400 journalists for the event, which will be held at the International Convention Centre. Juliette Jowit, Birmingham

The rescue also requires through the sale and lease information memorandum state-owned bus company, preference shares, entitling approval from the European back of rolling stock, that on the equity issue to poten. Union and the rail regulator, could be used to fund the tial investors in the next two vice under management con-

ways, the Channel tunnel given their consent. rail link consortium rescued on the first phase of the 68mile link is due to start.

which the link will be built. the government to raise cash

LCR is negotiating with for a few weeks.

beginning of October, the January, is thought to be agreed to buy phase one of already-delayed project amenable to allowing it to the link at cost once it is existing resources could only ted to come from companies finance construction work with an interest in Euro-

complete. Interest is expec-

The shares are also expec-

than 5 per cent of the shares. The equity issue is also existing shareholders are to be deprived of their shares star's future, notably under the rescue plan. In Railtrack, one of two princi-

access to long-term finance pal contractors.

Lottery

funding

shake-up

The government may shake

up the system of allocating

National Lottery money to

the film industry as part of

its plan to merge the UK's

existing film-funding bodies.

Since 1995, the Arts Coun-cil has awarded £47m

(\$77.5m) of lottery grants to

films and allocated 196m to

three new production compa-

nies. This policy has yielded

some successes, notably Wilde and Shooting Fish, but

has also been criticised

because some lottery-backed

films have failed to secure

Chris Smith, culture secre-

tary, unveiled proposals last

month for the British Film

Institute, British Screen and

the British Film Commission

to merge into a new Film

Council. It would also take

distributing lottery film

grants from the Arts Coun-

Mr Smith has set a dead-

line of early October for the

industry to submit formal

responses to the proposals.

The merger is likely to prove

complicated, not least

because the British Film

Institute is protected by a

Royal Charter, which can

that it could take more than a year to complete.

But it is understood that

the government is pressing

to speed up the process. Min-

isters are anxious to minim-

ise uncertainty for the

organisations concerned and

to reduce the risk of disrup-

Officials at the culture

department will be expected

to finish their analysis of

industry reaction by early

December. They will then

consult directly with the

bodies involved. The govern-

ment hopes to present a final

A review of lottery film

funding is expected to be

part of the changes. One offi-

cial said the government

wanted to ensure it was "get-

ting value for money" from

try to defend the lottery

funding system, which they

regard as an invaluable source of finance. But the

failure of many lottery-

backed pictures to secure

cinema release has come

the lottery grants.

package by the spring.

tion to the funding system.

nly be revoked by le tion. Officials have indicated

cinema distribution.

responsibility

set for

By Alice Rawsthorn

in London

film

NORTHERN IRELAND IRA TERRORIST FREED Unionists signal acceptance of

acceptance of the release of paramilitary prisoners as the government of the Republic of Ireland freed a notorious terrorist convicted of playing a role in the murder of Queen Elizabeth's cousin.

Ken Maginnis, security spokesman for the UUP, the biggest pro-British party in Northern Ireland, said: "The release of murderers for political reasons is unpalatable for many of us, but we release. It has increased have got to try to find some kind of way forward." The shift in the UUP

stance on prisoner releases came as Thomas McMahon, sentenced to life for his part in the 1979 assassination of Lord Mountbatten, the last viceroy of India, walked free from Dublin's Mountjoy jail. This is the closest the UUP has come to endorsing the

accelerated prisoner release programme. The scheme is part of the April agreement establishing a new Northern republican and loyalist para-Ireland assembly to take military prisoners in Northover administration of the ern Ireland jails were invited region which, since 1972, has to fill in application forms been run from London. for the commission chaired For the unionist commutaby Sir John Blelloch, a for-

nity this has proved the mer top civil servant at the Mr Maginnis's comments The process, if there are were echoed by John Max-no hitches, could take less

grandson and the Dowager

"Thomas McMahon has served his time and, if he is The Uister Unionists ety, then he should be yesterday signalled refuctant released." Mr Marwell said

prisoner release

yesterday. The Irish cabinet had considered Mr McMahon's early release several times before officials said Mr McMahon had been out on parole most weekends, having formally renounced his links with the terrorist organisation.

Buckingham Palace confirmed the Queen had been told of Mr McMahon's speculation that the British envernment may move to free two Scots Guards jailed for murdering an unarmed Catholic in Belfast, the Northern Ireland capital, in

The UK government last week set up a 10-member Sentence Review Commission to consider applications for early release under the terms of the Northern Ireland Sentences Act. On Thursday around 400

for the commission chaired spect of UK government's Northern Ireland Office.

well, father of a teenager than a month. But officials who died in the attack along say a decision in most cases with Lord Mountbatten, his will take longer as the commissioners apply the various tests envisaged in the legiswas blown up by an IRA lation to ensure public confidence in the process.



Minister admitted to druid magic circle

Ron Davies might not be in the prime minister's inner clique - but the chief minister for Wales was yesterday welcomed into another magic circle, Juliette Jowit writes. Mr Davies took his place as a fully fledged druid at the National Eisteddfod, the annual celebration of Welsh culture, dressed in the traditional long white robes and

flowing head-dress. In terms of the gorsedd, the council of bards and druids, the minister ranks above Queen Elizabeth, who as Princess of Wales became a lesser, green-robed obate in 1946. Mr Davies' title

awarded for pushing through devolution will be a vote winner in his campaign to lead the proposed Welsh Assembly.

Building societies increase interest rates

By George Graham, Banking Editor

Nationwide and Bradford & Bingley, the UK's two biggest surviving building socicloser to those charged by mutual. the biggest mortgage banks.

have converted to banks. The rise in the Nationwide's standard variable mortgage rate to 8.5 per cent

eties, yesterday gave up from 8.1 per cent comes two their struggle to hold down weeks after the society's rate to 8.7 per cent from 8.45 mortgage rates, amounting members voted by the thin- per cent - had left their increases bringing them nest of margins to remain

nutual. when the Bank of England, Nationwide's board had the UK central bank, raised

mutually-owned savings and mutuality, arguing it cent in June. They decided gages, which are accounting loans institutions. Many enabled the society to offer to move after the monetary for an increasing share of gage rates than banks.

Bradford & Bingley - which yesterday lifted its variable mortgage rates unchanged

customers much lower mort- policy committee announced on Thursday that it was packages offered to remort Both Nationwide and leaving rates unchanged. The mutuals' standard

variable rates remain below the 8.95 per cent charged by most banks, but the gap has narrowed. Their competitive advan-

tage is also much less interest rates twice. Its Building societies are campaigned fiercely for its interest rate to 7.5 per marked on fixed-rate mort- savings rates will also go up.

for an increasing share of the market, and on incentive gagers and first-time buyers Nationwide said its lending-rate increase, to take effect on September 1, would months. In the meantime, the central bank has raised

The Arts Council began giving lottery money to film makers, initially as ad hoc subsidies, in March 1995. It has given them to more than 90 pictures. Until recently. the government maintained it was too soon to assess the inequality between house- cent of such households had and in Wales 20.7 per cent also indicates big differences impact of the lottery initiaaccording to ethnic group. tive because it takes so long for films to be made, shown in cinemas and for video and most likely to have everybody of working age in television rights to be sold. employment (54.5 per cent). Households of Pakistani and Film makers are likely to

Most ethnic minority

Proportion of no-work households rises

Office for National Statistics. spring 1997 Labour Force likely group to be out of 22 per cent (106,000), in Scot-Survey, show a widening work in spring 1997, 54.8 per land 20.7 per cent (340,000)

holds in and out of work. They reveal that 17.7 per Just over half the UK's 18m cent (3.16m) of working age working-age households households had nobody in have everybody in employ- work although two-thirds ment but the proportion had one adult of working with no one working is age. In 9.4 per cent of work-increasing, according to fig-ingrage households, at least ures yesterday from the one person was unemployed. .. Lone parents with depen-

nobody in employment. The data reveal a disparity The proportion of households with no one in work was highest on Merseyside in north-west England at ingage households, at least 26.1 per cent (115,000 house-one person was unemployed. holds). In north-east England the figure was 22.5 per cent The data, derived from the dent children were the most (182,000), in Northern Ireland

The proportion was lowest between different regions: in south-east England at 12.4 per cent (301,000), with the south-west on 13.5 per cent (198,000), the eastern region on 13.8 per cent (433,000) and the east Midlands on 15.0 per cent (192,000). In London, 18.8 per cent of bouseholds

(182.000).

(438,000) had nobody in The Labour Force Survey

Bangladeshi origin had the lowest figure (12.7 per

groups had high proportions of households (up to 20.0 per cent) with no one in work.

Confusion and suspicion as accountants seek bond of friendship in dispute The Big Five and the City are at odds over accountants as a "cushion fession has been campaigning for a decade for a change goals. To restrict risk within the balance of liability in debenture issues. The sikely.

Jim Kelly explains what is at stake

n ill-tempered dispute nies - are rare but can be has erupted between worth £160m(\$165m). Rarity these arguments before Last has erupted accounting has led to infrequent year the Big Six - as they tancy firms and the City of accounting that has led to then were - fended off an accounting that has led to then were - fended off an accounting that has led to then were - fended off an accounting that has led to then were - fended off an accounting that has led to then were - fended off an accounting that has led to then were - fended off an accounting that has led to then were - fended off an accounting that has led to the led London over liability caps. confusion and suspicion. The inquiry from the Office of their risks when signing head, the Big Five firm ment to limit liability in "comfort letters" accompa- involved declined to offer investment projects. The nying certain debenture the comfort letter and was issues. Institutional stock replaced by a middle-tier Association found itself in a holders, represented by the firm offering unlimited liaholders, represented by the holders, represented by the hility. In another case the Eventually a compromise liability at all in the case of liability partnership (LLP) are well have none of it. cap slipped through unnowas agreed the Rig Five had the statutory audit. In the law. This will protect the ers, will have none of it.

These kinds of debenture ticed. - popular with businesses strong on fixed assets, such sented by Pricewaterhouse as brewers, housing associations and property compassions and property compassions are using the sentence of the context is much liability was accepted.

Proportionate as to a 1000 of claims – with at least one large firm collegal actions – but not the assets of the firm or of the negligible of the negligible

one to sue.

British Venture Capital similar stand-off to the ABL by law from limiting their polsed to publish a limited

failed and they need some them less harsh for account in the market. Success on damental reform of the print as they are allowed to do - among, for example, the tants - and particularly the first goal is close at We have heard some of auditors, who are prevented hand, with the government bility at law. Under the

Accountants have waged a 10-year The firms have tried to cap last time things came to a Fair Trading over an agree campaign for a change in the liability laws to make them less harsh

> to drop a blanket cap but the US, a similar liability regime personal assets of non-negli-The Big Five firms - represe principle of proportionate led to a flood of claims -with gent partners from legal

The accountants want funciple of joint and several lia-

present regime any party to an action who can be shown to be negligent to an extent that they could have caused the entire loss can face paying all the damages - even when other parties are more at fault but have no many as a safety net for shareholders and victims of

Before the government

The second goal looks less tants to show that they have so on, as well as accountants tried everything possible to and auditors. limit liability by contract - Some detect concern outside the statutory audit. merchant banks and valua-Hence the caps introduced in tion experts that if the liabilbond issues.

ball has been passed to the long-term review of company resources to pay. Despite its, law - a government policy tor often from the same firm oddities, this law is seen by paper on which is not expec- as that which issues the ted until 2001.

It seems likely that the government wants to explore altering the overall liability plunges into such reforms it regime - affecting share- have engendered more awaits two developments. holders, directors, invest-

venture capital deals and ity of accountants is being limited, their risk may be increasing. Others may won-But a second, more fundamental, hurdle has unlimited liability of the auditor who checked the accounts of the company backing the bonds - an audicomfort letter.

If these bond issues were more common then, perhaps frequent accounting would triendship. As it is we have, First, it wants the accountment bankers, actuaries and at best, mutual suspicion.

The second secon

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Saturday August 8 1998

Blips, panics, corrections

Why now? That is the obvious but difficult question posed by the mini-panic on Wall Street this week. Since its recent peak. the Dow Jones Industrial Average has lost about a tenth of its value. So, too, with the FTSE 100 index, while continental Europe has seen significant, if lesser,

There is, of course, no satisfactory answer, other than the one red by the elder J.P. Morgan in similar circumstances earlier this century. There were, he said, more sellers than buyers. No doubt the great man was doing his fair share of selling on the

In the present instance, the main source of trouble appears to have been a growing realism about the earnings prospects in US industry and commerce. Yet this is old news. We have known for some time that corporate profits in the first quarter of this year were down on their level in the previous two quarters, in spite of rapid growth in output.

Margins were being squeezed as a result of rising wage costs in a very tight labour market. Such is the intensity of competition in the US economy that the corporate sector has little ability to pass on increased costs in higher prices. As the Asian crisis has worsened and the dollar has strengthened, the earnings outlook has been deteriorating further over the course of the year.

Yet until now the markets have shrugged off the increasingly gloomy statements emerging from companies in the tradeable sector. As John Kenneth Galbraith put it after the 1987 stock market crash, it has looked suspiciously as though "people and institutions were in the market for no reason except that it was going up".

The great difficulty in judging market movements is that there is a constant tension between "real" factors such as corporate earnings and dividends, and financial factors such as the growth of money, the availability of credit and the supply and demand for savings.

Real factors

Research by Gordon Pepper at Britain's City University has shown that over periods of up to The analysts may simply downa year or so, the financial factors grade earnings forecasts in manare far more important for the performance of the equity market; the behaviour of aggregate earnings and dividends tends not to matter. Over much longer periods, however, the real factors become more important. This makes sense, because fluctuations in money and credit usually reverse themselves over time.

Unfortunately, this analysis is not over-helpful at times like the present, when monetary conditions have not been changing dramatically. The difficulty is compounded by the increasing polarisation in equities. The buying surge that took Wall Street to its all-time high was increasingly confined to companies with big market capitalisations, especially

of massive terrorist attacks.

familiar part of the ritual.

cess has proved elusive.

vicemen. In spite of strong suspi-

cions of some Iranian complicity

in the bombing, no one has yet

been firmly connected with it.

There has still not been any retri-

bution for the 1983 bombing of a

barracks in Beirut that killed 241

marines. And, although the US is

moving tentatively towards

agreement on a trial for the

alleged perpetrators of the down-

ing of Pan Am Flight 103 over

Lockerbie, they have yet to be

Those incidents stand in

marked contrast to the one nota-

ble occasion when the US

brought a definitive, if

heavy-handed, response to a ter-

rorist attack - the bombing

of Libya in 1986, after US

intelligence confirmed Libyan

involvement in an attack on

ointing the finger at Middle East-based

extremists has an

element of political

incorrectness these days.

resterday not to jump to

conclusions and no group has

attacks. All one can say is that

explicit warnings of attacks on

sources in the past few weeks.

Egypt's Jihad group, a hardline

retaliation for US support in the

members from eastern Europe.

to attack US interests in

extradition of three of its

claimed responsibility for the

Washington was careful

brought to justice.

tion in Washington.

terrorist violence are abhorrent

in high technology. For the great army of smaller companies, it has long felt like a bear market. This smacks of the late 1960s, when the so-called "nifty fifty" giant corporations became the almost exclusive focus of Wall Street's attention, Note, too, that corporate profits in the second and third quarters of last year went back above 10 per cent of gross domestic product for the

Not reassuring

Yet the message of history is not wholly reassuring. Some who bought nifty fifty high-tech stocks at the top in the 1960s saw more than one decade pass before the real value of their investment was restored. How many investors in Microsoft know that?

So is the party over? Certainly not for the US economy. Broad money has continued to grow fast over the past 12 months, yet interest rates remain on hold. The housing market is roaring away, with mortgage applications savings as a percentage of disposable income were at an all-time low in June of 0.2 per cent and threatening to turn negative.

Equally important, the Asian crisis appears to be redistributing growth within the economy rather than damning things down overall. Yesterday's payroll data, for example, showed that job losses in manufacturing were being offset by increased employment in the service sector. And the disinflationary impact of Asia remains benign, even if the trade implications are worrying for the external account.

Market behaviour is less predictable than that of the real economy. But unless the market blip turns into a self-feeding setback whereby a negative wealth effect dents consumer confidence, there could be another bounce. ufacturing and uprate those in

Yet as the economy throbs and the current account deficit widens, the risk of a rise in interest rates can only increase. At the end of a bull run, it is often the financial factors that precipitate the decisive change in the mar-

The search for the culprits

The president has pledged to find those responsible for the ing, in what has bombings. But the past record is poor, says Gerry Baker become a grim ritual at the White House, President Bill Clinton was woken by an urgent phone call from his emn Sandy Berger still had only



S servicemen in Germany, to get more complicated as the "It has proved very hard either" US builds bridges to states it has to bring people to justice in most of these cases or to retaliate dealing with governments. If there is state involvement it's more likely to be indirect, through training or financing terrorists, and then it's hard to get international support to take action against them," says Mr

Furthermore, the task of track-

traditionally deemed pariahs.

"Things have definitely been because almost always you're not improving with a number of for east Africa with emergency-dealing with governments. If those states and their more mod-assistance. Madeleine Albright, those states and their more moderate leaderships, which is undoubtedly good news for the thrust of US foreign policy," says another former national security official. "But it's not at all clear that they are really able to exercise much control over their

more extreme elements."

The US diplomatic, military

and law enforcement machine swung into action yesterday in response to the latest attacks Transport aircraft left Germany

the secretary of state, cut short a trip to Italy. And the FBI sirlifted its team of international terrorism experts to both Kenya and The initial oral response was

one of extreme caution. Mindful

makers and officials went out of their way to avoid pointing the finger at a Middle East

But in the immediate for of uncertainty, national security officials were already making a few tentative judgments. They discounted the possibility that the terrorism could have been a local act by political groups in Kenya or Tanzania. The two bombings seemed to have been too carefully co-ordinated - they occurred within minutes of one another in capitals 670km apart to be explained by internal our-

"If it had been one incident, it might have been an isolated act of terrorism by some disgruptled group," points out one terrorism expert. "But two simultaneous attacks is more than a coinci

f it was a terrorist aroun from outside the region who is most likely? National security experts doubt that proving a link to any of the states the US has described as "terrorist sponsoring" will be

easy.
"When these things happen you tend to look straight at the usual suspects," says the former official. "Iran, Libya, possibly Iraq. But in each cases, the likelihood of direct government involvement seems remote."

The US has made considerable progress in improving diplomatic relations with Iran in recent months, with especially warm words from Mrs Albright. Even Libya, the most recalcitrant of anti-US states, has softened its tone recently, moving towards agreement on a trial for Libyan Pan Am 103. And US intelligence experts believe Iraq is unlikely to risk complicating its already deli-cate political and diplomatic position with attacks such as

Instead, much attention was focused yesterday on "freelance" groups, which have made direct, credible threats against US targets in the past few months (see below).

Given the past failures to bring terrorists to justice, Mr Clinton will want an especially realous response this time. But it was not clear yesterday that it would prove any easier now than in

Where threats came from

Jihad is held responsible for the murder of Egyptian President Anwar Sadat in 1981. There is no evidence it was responsible for the bombings, but it is the sort of threat the US has been facing. Diplomats say it has the muscle, to mount simultaneous

attacks on US targets. The other source of warnings has no such constraint. Osama Bin Laden is a 45-year-old former Saudi businessman who led the "Arab Afghans" - fighters In the Afghan war against the

Soviet Union. With a fortune estimated at \$200m; Mr Bln Laden is believed to finance and. train Sunni extremists groups around the Arab world. His main objective is to drive US forces from Saudi Arabia.

suspect in any attack on US targets. When a bomb exploded at the Saudi National Guard training centre in Riyadh in 1995, killing five Americans, the bombers claimed they were inspired by him. He was also suspected of links to the 1996

truck bombing in Dhahran, Saudi Arabia, in which 19 US servicement died.

In June, Mr Bin Leden went on US television to warn of new attacks. "We believe the biggest terrorists on earth are the Americans. The only way for us to defend these assaults is by using similar means," he said. "We do not differentiate between those dressed in military uniforms and civilians."

Saudi sources say the link between Mr Bin Laden and Jihad is a joint declaration made in

February, which called for the killing of Americans.

As with many Islamist extremists. Mr Bin Laden has made many threats that come to nothing. He has never claimed responsibility for any attacks. But the US does take him seriously. Sandy Berger, the national security adviser, has dangerous non-state terrorist in the world. After the interview this summer, the State Department said it was stepping up security at embassies and sites in the Middle East and south Asia.

Roula Khalaf

LETTERS TO THE EDITOR

Human development lagging economic transition in central and eastern Europe

Sir, Anders Aslund argues that the drama of transition in central and eastern Europe and the former USSR is more or less over ("Post communist report card",

While this may be true of ecothe region, the drama continues in other aspects of the transition vital to raising living standards. As the late Mahbub ul-Haq ("Pakistani economist dies", July 20) emphasised so forcefully. development is much more than

Countries singled out by Proper cent of GDP (only 5 per cent Piazza SS Annuziata 12, fessor Aslund as achieving high in 1995) has fallen far beyond a 50122 Florence, Italy

Sir, In his article on Nelson's

Leadership - fleets ahead of its

time", August 1-2), Stephen

Howarth rightly praises the great sailor's creative leadership, but I wonder if he has read a letter by

another great sailor, Horstic

cote Parkinson's biography), in

the Duke of Wellington, to whom

Of Nelson he wrote: "He was a

great tactician and a born leader

of men, not outstanding as a sea-

man . . . but an officer unequalled

in battle. Having conceded all

that I still look upon the duke as

the greater man. For we in the

had the easier task and for

he was related by marriage.

wer (quoted in C. North-

From Mr G. Davies.

threaten human development -Estonia, Kyrgyzstan and Georgia.

Divorces exceeded marriages in Estonia in 1995-96 and the proportion of infants in state-run children's homes has doubled during nomic transformation in much of the transition. Male mortality among 40-59 year olds in Kyrgyzstan rose by a third during 1992-95 while enrolment rates have fallen substantially at every level of schooling. Education has also suffered

sharply in Georgia. Not only has the Georgian economy shrunk by two-thirds, but tax revenue as a Unicef,

command. The revolution in

of all its best officers, leaving

untrained and filled with false

notions about equality and frater-

nity. They were beaten at the

outset and driven into their

ports...Lord Nelson was lucky

enough to be given the command

prepared for battle, and which

were to be led against enemy

fleets which had never been exer-

cised at sea ... Nelson died at the

moment when his fame was

"The Duke of Wellington had

no such advantages. His oppo-

nents were not discredited offi-

cers at the head of spiritless

Wellington surely had the edge as a leader

ement style (Weekend FT: France deprived the French navy

which he compared Nelson with of fleets which other men had

not escaped changes that that wishes to reduce the role of the public sector while maintaining basic provision of education, health and other social

> The positive economic growth now taking place in most countries is encouraging, but the transformation of the region to reach higher levels of human development requires constant attention to many other aspects of social and economic change

experienced officers whose troops

had never been beaten. His own

armies were composed of men

whose previous service had been

in withdrawals, humiliations and

retreats. It was Arthur Well-

esley's task to equip, train and

defeat into victory. His final

nation's leader and the sover-

eign's adviser in one crisis after

decided and nearly always right."

head of research,

Beyond mere bagatelles

From Mr Claude Roessiger. Sir, Re your leader "Low crimes and misdemeanours (July 31). I predict that you will be embarrassed within the month. Your warm feelings towards President Bill Clinton have led you to portray his misdeeds as hapstelles. If these were limited to philandering, most Americans would probably agree

But to believe this is wilfully to ignore a long list of potentially serious crimes, or have you not noticed the unusual numb persons close to Mr and Mrs Clinton who have been indicted on charges over the course of his administration? Association is tion with the guilty is suspicion.

PAK 2000,

Sir, Re US opposition to estab-Criminal Court ("Diplomats deliver judgment on new war crimes court", July 20), it seems ironic that the country that presumes to give the world lessons in democracy should have forgotthe system; that all men, and nations, are equal before the law.

Claude Roessiger,

PO Box 438 Mîrror Lake, NH 03853. US

Forgotten law

inspire his men, gain the mea-From Mr David Read sure of his opponents and turn antagonist was among the greatest generals who ever lived...Nor did the Duke fall at Waterloo but lived on to be the another, always calm. always ten the most basic principle of

> David Read. 8 chemin due Pâquier, 1231 Conches, Switzerland

Lord Nelson it was easier than it armies. They were victorious and Birmingham B30 1SH, UK Number One Southwark Bridge, London SE1 9HL

G. Davies,

243 Hay Green Lane

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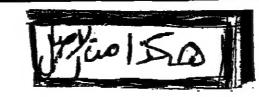
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The market movers

John Authers on two Wall Street gurus who have captured investors' imagination

worst falls of the year, but for many Wall Streeters the story of the week was that of two bulls: Abby, who contin-

culprits

"Abby" is Abby Joseph Cohen, co-chair of the investment committee of Goldman Sachs, one of the most pow-erful investment banks in lied perceptibly. Revealingly, New York. She has persistently - and correctly - pre-dicted that markets would rise in the past few years; she continues to do so.

"Ralphy" is Ralph Acampora, head of technical analysis at Prudential Securities, one of the largest retail brokerages in the US, whose words are listened to by an army of small investors. Having been a bellowing bull for years, he astonished Wall Street by turning bear-

He was interviewed live on CNBC television in the last half hour of trading on Tuesday. As he spoke, making made the correct call when clearer with each answer it counted. that he believed stocks were entering a "bear market" that would see the Dow fall between 15 per cent and 20 per cent from its high, a caption in the corner of the screen showed the Dow fall-

talks about joining a break-

away European super

will again be brought

together, this time not so

harmoniously, as they meet

in London for the Charity

Shield match, the traditional

curtain-raiser to England's

Charity, however, is not

what a possible European super league is all about. Its

main ingredients are money

and power. And where those.

two elements combine in

football, controversy is

Soccer's governing bodies

world level - have all threat-

ened severe sanctions

against clubs that sign up to

the new league. Uefa, the

European governing body

whose Champions League

tournament risks being sup-

In England, the reaction

from the sport's authorities,

the fans and the clubs not

invited to join the league

(Liverpool was the only

planted, is incensed.

extremely hostile.

football season.

never far away.

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Tomorrow, the two clubs

t may seem unusual at ing by about 100 points. It She predicted a fall in the important. Both Mr Acambie end of a week when closed almost 300 points. Dow of more than 500 points por and Ms Cohen share a down for the day, the third in television interviews the knack for expressing technical points. stocks suffered their largest points fall in a day. Early next morning, Ms Cohen's latest market com-

ment started to roll out of ues to be a raging buil, and the falls, she believed stocks Ralphy, the bull who become were undervalued, and backed her assertion with three pages of analysis. CNBC flashed the news across the bottom of the the caption mentioned ne ther Goldman Sachs, nor Ms Cohen's last name. It was assumed that the audience

> "Abby".
> Both pundits had plainly exerted, if only briefly, a significant impact on the mer ket at a critical time.

would recognise her as just

The importance of gurus is hardly new, although 24hour business television channels have magnified and extended their impact. Previous dramatic turns in the market have also come to be associated with particular commentators who

The heroine of the 1980s. and particularly the Black Monday crash of October 1987, was Klaine Garzerelli, who at the time was head

week before it happened. She later correctly called the market's recovery, rejoicing for a while in the nickname

of "Go-Go Garza". In the 1970s, when US equities settled into a bear market, Henry Kaufman was the hero of the age. Chief economist at Salomon

Both pundits had exerted a significant impact on the market at a critical time

Brothers, then the dominant investment bank in the fixed the nickname of "Doctor

Ralphy and Abby are their heirs in the 1930s. Why have these two captured the imagination, more than any of the dozens of other equity strategists who are paid to forecast Wall Street's next

cal concepts with readily comprehensible metaphors. Mr Acampora's metaphors

tend to be more aggressive. Knowing his influence among small investors, he had often talked of the moment when he would have to "pull the trigger" and tell them to sell. He has year, when he predicted the Dow would reach 10,000 within 12 months - he was 700 points out - the report was entitled "Ten in

Twelve".
Ms Cohen's metaphors are more homespun. When the Federal Reserve tightened monetary policy slightly last March, leading to a 9 per Goldman is in equities of a bear market, she likened today), his consistently it to a "flu shot" - painted a gloomy forecasts according to a 9 per cent dip in the Dow and talk of a bear market, she likened today), his consistently it to a "flu shot" - painted gloomy forecasts earned him first, but ensuring greater strength in the long run.

Recently, she has used the analogy of buying a cardigan to explain market volatility. When stocks (or a cardigan) are selling cheaply, she says, investors (or shoppers) do not inspect the goods all that closely. If the cardigan is move? selling for a full price (and An ability to express them she argues that stocks were

stocks are more prone to sharp falls as soon as any had news is announced.

To be a guru, it is also important to be right. Following the remarkable rise of the US stock market in the 1990s, which has seen the Standard & Poor's 500 also appeared in television index increase threefold in commercials for Prudential's seven years, only those who mutual funds, talking about have been consistently and the market. In June last strongly bullish will remain at the top. There are other bulls, but none have been more consistent than Ms Cohen or Mr Acampora. Both do extensive research

and are taken seriously by fellow professionals, though Ms Cohen (whose comments are aimed mainly at institutional investors) perhaps commands greater respect than Mr Acampora, whose audience is the wider category of retail investors.

Some commentators branded Mr Acampora a "trend follower" this week. The suddenness of his change of heart - on Monday he had still been predict-ing the Dow would reach 10,000 by the end of the year - may damage his credibility. Others have also suggested that Goldman Garzarelli, who went on investors a sense of direction market for an hour or so. Sachs' forthcoming market to run a newsletter, is at a time of volatility can be. But the market will follow flotation, due next month.



has given Ms Cohen a large ing bearish in July 1996.

Whoever is proved wrong or her importance wane. Ms

Are the gurus as influential as they seem? Both this week's leading characters still probably hold good: after this week will see his plainly helped to move the market on occasions, Giving

But the words of Ms Garher then-growing influence. "There have been forecasters who have influenced the

In a league display of unity from two of England's great sporting rivals, two leading soccer clubs, Manchester of their own United and Arsenal, released identical statements confirming their involvement in

The possibility of a European super league has received a hostile reception from soccer's governing bodies, writes Patrick Harverson



other English club approached) has been clubs. Crucially, at least half of the league's participants It has been the same elsewhere in Europe where a

handful of top clubs - such as AC Milan in Italy, Real Madrid in Spain and Ajax in the Netherlands - have been attacked for putting their own interests before those of the game. Newspapers and television stations across Rurope have condemned the clubs - and the Italian company behind the super eague - for greed and dupli-Yet what exactly is the

fuss all about? The super league is the brainchild of Media Part ners, a sports management company based in Milan. With the tacit support of some top Italian clubs - much less. Rodolfo Hecht, Media Part ners' president, used to work for Silvio Berlusconi, the magnate who owns AC Milan soccer club - the com-

chuh competitions. is a midweek league for and Ajax, the interests of between 16 and 32 elite shareholders dictate that

would have permanent membership by virtue of their size and status. That would guarantee them huge sums of money every season before a ball had been kicked. Details are sketchy, but

the clubs would probably start on a minimum of £20m each, with perhaps twice or three times that amount available to the winner. That would make the super league-worth far more to the top clubs than the current mpions League (which is a hybrid of league and knock-out competition). This can offer its winner only about £15m, and the rest

For Europe's big clubs, with their massive wage tills for the players, permanent membership of a league with guaranteed large pany has put together a plan income flows is an enticing for an overhaul of European prospect. For clubs which are listed on stockmarkets. The heart of the proposal such as Manchester United

bring other differences. The national associations. Champions League gets its money from free to-air terrestrial broadcasters and from sponsors. Only twothe clubs. In contrast, almost all of the money raised by the super league would go to the clubs. Revenue would come from the sale of live coverage to pay-per-view broadcasters, and from sponsors. Media Partners and its. banking adviser J.P. Morgan have also lined up financing from unnamed equity partners to ensure the league meets its initial obligations

hether the super league ever gets off the ground is another matter. Even if negotiations go smoothly, the competition would not. Another hurdle for the start until the 2000-2001 season at the earliest. There are many hurdles to overcome, to make the league meaning-

to the clubs.

such a proposal be taken not least the opposition of seriously. Pifa, world soccer's govern-The new set-up would ing body, Uefa, and most

Fife and Uefa are opposed to the super league because it is anathema to them that clubs, rather than governing thirds of the competition's bodies, should organise any income is redistributed to competition, let alone the world's most prestigious club event. Neither do they wish to relinquish power and control of the game's revenues to the big clubs. The national associations

worry that the super league would harm the credibility and popularity of their domestic competitions. They have threatened sanctions. including expulsion from domestic football. But the clubs are confident they could win their

argument where it matters most: in the courts. They say legal advice suggests they could overturn Uefa's selfproclaimed exclusive right to organise club competitions. organisers is persuading enough clubs to join in order

ful. Not all are as enthusiastic as AC Milan. German clubs are thought to be particularly cautions about a super league, discus-sion of which will be top of the agenda when German clubs meet this weekend in Düsseldorf. Getting agree-

eight different countries will be a Herculean task. There is an alternative. Some of the big clubs may be talking to Media Partners as a way of forcing Uefa into restructuring the Champions League more to their liking. Uefa has changed the compe-

tition's format several times

ment from 16 or so clubs in

to accommodate their This week, with Media Partners breathing down its neck, Uefa has reassured the clubs of its willingness to consider their views. Yesterday, Gerhard Aigner, Uefa's general secretary, said there sultation and co-operation". There was, he said, "no need for any club to be pushed into signing an agreement which it might regret".

Uefa has even talked of unveiling its own "super league" proposal, likely to be a souped-up version of the Champions League with more games and more money for the clubs. It will discuss this at its meeting in Lisbon in October.

But Hefa: is unlikely to budge on the crucial issue of allowing permanent members into its league. The notion that teams must qualify for European competition on merit is sacred. Many people in the sport - fans, players and administrators alike - agree. Yet this could be where

Media Partners has the edge over Uefa in winning over the big clubs, who would like nothing better than a guarantee of lucrative European football year in year out. Media Partners would like to complete its negotia tions with the clubs by early October when Uefa meets. By then, the company hopes to have signed up its mem bers and be ready to present its final proposal.

At that point, the people who should matter most the millions of fans whose enthusiasm, ticket purchases and television subscriptions determine any competition's success - will finally get a chance to see what the fuss is about. Unfortunately, by then it may be too late to in the UK as a whole. This have any say in the design

Flower of Scotland loses its bloom

A spate of gloomy forecasts, says James Buxton, has confirmed fears that economic health was being overstated

cotland's leading economic research body said last month it was very worried about the Scottish economy. and ministerial pronouncements, it suggested, might give the impression that an economic renaissance was under way. That would be bad, said

Scotland should not receive its present relatively high level of public spending. (Spending per head is 23 per cent higher in Scotland than in England.) The institute can stop wor-

rying, in the past two weeks, lots of dismal figures have come out suggesting the Scottish economy is in a worse state even than the overall British one. A report by the Bank of

Scotland said Scottish companies had reported a sharp ecline in manufacturing orders, output and employment in July. Mackay Consultants, an economic consultancy in Inverness, said there were parallels between the performance of the Scottish football team in the World Cup and the Scottish economy: "Both have been overrated and both have ailed to deliver."

The latest monthly industrial survey by the Confeder. ation of British Industry suggested manufacturers in Scotland were experiencing a sharper drop in optimism than those in the rest of the UK. Yet in Scotland much less attention has been devoted to the economy than to this week's controversial appointment of Gus Macdonald, former chairman of Scottish Media Group, owner of Scottish Television, to be scotland's industry minister. Last year manufacturing output in Scotland rose an impressive 7.7 per cent, compared with only 1.5 per cent

cess of the largely foreignowned electronics industry, wrong with the Scottish But year-on-year figures for economy? Its growth rate the first quarter of 1998 has been slightly below that released this week showed of the south of England for Various official statistics the increase had fallen to a the past two or three years. mere 0.1 per cent.

1980s left Scotland with a Scotland outperformed manufacturing sector southern England and unemaccounting for only 20 per Strathclyde university's cent of gross domestic prod-Fraser of Allander Institute, uct - slightly less than for time. And Scotland remains because no such miracle the UK as whole - Scottish remarkably successful in existed but, if people manufacturing is biased attracting inward investthought it did, other UK towards exports, exporting ment; last year was a record. than the UK average. Its Scotland does not produce principal exports - electron- enough jobs to avoid a ics, whisky and textiles are heavily affected by the strong pound.

In electronics the opening of Hyundai's large and halfcomplete semiconductor plant in Fife has been postponed indefinitely, casting a shadow over the industry.

n the drinks business, Andrew Dewar-Durie, chairman of the CRI in Scotland and of Allied Distillers, the whisky maker. had his own industry in mind when he talked of the strength of sterling and problems in the Far East having an adverse effect on Scottish manufacturing. And in textiles, Dawson

International is closing two factories and making 720 people redundant because of the collapse of export markets. These job losses have yet to feed through to the seasonally adjusted unemployment figure which, last month, was static at 5.7 per cent, compared with the UK average of 4.5 per cent. On the other hand, there is

little sign of a downturn in Scotland's services sector. Among Scotland's big cities. vibrant, thanks to tourism and the continued expansion of fund management and the Scottish banks. With the arrival next year of the Scottish parliament, prices for the smartest houses and flats are at unprecedented of top quality office space,

but that is the normal Although the closure of undramatic pattern. In the smokestack industries in the recession of the early 1990s ployment dropped below the UK average for the first

> steady trickle of emigration. mostly to England, leaving the population roughly where it was in 1945, at about 5m. The volume of domestic investment is low and the rate of new company formation, though improving, still 30 per cont less than the UK's as a whole. Some think the two are related: many of the people most likely to create new businesses emigrate. Those left behind are, in the words of Euan Baird, Scots-born chairman of Schlumberger. the oil services group. imbued with "a Scottish culture that for too long has sold making money is not nice".

If povernment evponditure can do any good, Scotland is at least assured of a steady growth over the next three years. The government will preserve the formula that determines that the Scottish parliament's budget will be above average for the UK. But it is unrealistic to

think that, as industry minmuch between now and Scottish parliamentary elections in May to ward off an eeustructural changes in the Scottish economy. His job is far more vital to

the Labour government at a time when the Scottish National party is leading it in opinion polls. He has to rebut the SNP's arguments that independence would make Scotland better off.

t is Sunday night and the "skimples" are out in force. The scantily clad young women serving at the numerous ubs of Kalgoorije, Australig's biggest gold-producing multicultural . . and our centre, are - along with har . focus is on quality-of-life room brawls and the issues," he says.
red-light district - a staple That may be. But this
of the town's nightlife. If week Kalgoorlie's rougher they lose the flip of a A\$2 edges have been on display

and niggle.

How the west is being lost

Gwen Robinson visits Kalgoorlie, a gold mining town that exemplifies the tensions in modern Australia

coin, they lift up their tops with more than 850 mining representatives in town for

The authorities recently their annual Diggers and launched unprecedented Dealers" forum. The pubs efforts to clean up the are roaring. It's almost like riding high in the early 20th town's "wild west" image, old times before this town going so far as to arrest a started trying to be respect only to be saved by the skimpy for revealing too able," says one old local. much. Police have even Respectability has not begun to fine people for jay- been a priority in Kalgoorwalking Ron Yuryevich, the lie, about 690km - and a producer. The town thrived town mayor, says prosperity world away - from Perth, despite impossible odds, Ralgoorlie. "We are now tralia. The town's famous through the vast desert and

Golden Mile once boasted trucking materials to tors. Today, the town is a urban-rural divide. There is the richest concentration of gold deposits in the world, the core of a region that has produced more than 2,000 onnes of the yellow metal in its colourful history, Kalgoorlie has experi-

enced more than its fair share of boom-and-bust century, before languishing. nickel boom of the late 1960s. The region became the world's biggest nickel the capital of Western Aus- pumping fuel and water

develop mines and housing. strange mix of large compa-When the nickel boom ran nies, independent contracout in the mid-1970s, Kal- tors, itinerant mineworkers

goorlie was saved again, and a varied services indus-

The authorities tried to clean up the town's 'wild west' image, arresting a skimpy for revealing too much

of international gold prices. As gold took off, Kalgoorlie grew with it and the small, independent miners were absorbed by larger opera- particularly its growing ate, barely 72,000 people,

this time by the freeing up try catering to the predelictions of mining folk. It is also a society that reflects many of the tensions in modern Australia,

palpable resentment in Kalgoorlie, as in much of rural Australia, towards state and central governments, which are perceived as draining taxes from the local economy to be spent in the big cities. The mood has fuelled the rise of extremist political parties such as One Nation, led by Pauline Hanson, an independent MP.

The local MP. Graeme Campbell - whose constituency covers a staggering 2.3m sq km, or 93 per cent of the state - is a supporter of Ms Hanson. His elector-

comprises two groups with conflicting agendas: the mining industry and the big Aboriginal community (Mr Campbell represents more Aboriginal constituents than any other MP). These two groups come into conflict through the native title legislation that gives Aborigines claim to some land. Aboriginal groups sup- the foreign mining compaport the laws and want them extended: miners complain about the effect on mining properties.

A maverick who claims credit for encouraging Ms reconciling Kalgoorlie's Hanson to enter politics, Mr skimples and bar brawls

of Kalgoorlie for 18 years, mostly with the opposition Labour party. But in 1996 he took a sharp turn to the right and formed his own party, Australia First, which espouses similar policies to Ms Hanson's, including opposition to foreign investment and immigration. Curiously, that stance

brings Mr Campbell into

conflict with both sets of constituents that are in competition: the Aboriginal groups to whom Ms Hanson's name is apathema and nies which provide jobs for the numerous migrants in the area. Reconciling his stance with their views will be as big a challenge as Campbell has held the seat with respectability.

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COMMODITIES & AGRICULTURE

Precious Metals continued

IEA sees no early end to oil glut

WEEK IN THE MARKETS By Gary Mead

There was further gloom yesterday for crude oil producers, as the International Energy Agency said the global glut could get worse before it improves.

"It is difficult to foresee the excess stock overhang problem resolved until well into 1999 at the earliest ... 1999 is likely to inherit an oil market heavily burdened with excess stocks, an unresolved Asian financial crisis [and] a delicate production agreement among Opec," said the IEA in its monthly Oil Market

While inventories in OECD countries were 2.79bn barrels at the end of June, 209m more than a year earlier, the biggest cloud on the horizon is a possible further weakening in Asian demand. The IEA forecasts demand

in Asia will rise to 20.25m b/d in 1999, from 19.77m this year, with world demand 74.7m in 1998. But without clear indications of strengthening Asian economies, such forecasts are built on sand.

On the International Petroleum Exchange in London, September-dated Brent rose to \$12.73 a barrel in debased...by no yardstick later trading, 12 cents higher can it be described as than the previous close.

of August down another 6 points (in July-August 1986) up \$13 at \$1,650 a tonne.

WEEKI V DDICE CHANCES

	Latest	Chanda Chanda	Year	Files	 بجما
	(Married)		-	- Carlier	
Bold per troy oz.	\$296.05	-2.50	\$324,05	\$312.55	\$279.60
Silver per troy az	331.D0p	-6.3	272.50p	475.70p	304.150
Aluminium 99.7% (casis)	\$1318.0	-7.5	31740.5	\$1521	\$1276.0
Cooper Grade A (cook)	\$1633.5	-S1.0	\$2340.5	\$1850	S1571.0
Leed (casts)	\$544.0	-2.5	\$626.5	\$585.5	5906
Nickel (cast)	\$4085,0	-160.Q	57402.5	\$5907.5	\$4085
Enc SHG (cash)	\$1053.5	-10.0	\$1550.5	\$1145.5	S996
Tin (casts)	55825	+150.0	\$5610	86245	\$5180
Coccon Fotores Jul	21068	+120	E1018	£1136	£1013
Coffee Fisheres, Jul	\$1866	+41	황미리리	\$2175	\$1530
Socar (LDP Reef	5214.00	-2.90	\$285.40	\$297.40	\$195.20
Barley Futures Sep	588.70	-	277.25	280.50	959,10
Wheat Futures, Seo	259.25	+0.65	012.00	285.10	£88.80
Cotton Outlook A Index	68.40c	+0.25	81.55c	73.10c	52.70c
Hool (64s Super)	300p	-6	419p	362p	300g
Dai Grent Blench	\$12.70 5 x	-0.345	\$18,92x	\$16.49	\$11.35

Topices (1000) 465.F 1775 +40

could be sighted on the distant horizon. On the London Metal

113.5

61.1

Exchange, yet another day's unenthusiastic trading was interrupted by a simmering row. Christopher Green of Barclays Capital (and a for mer chairman of the LME), increasing to 75.3m b/d from and Amalgamated Metal Trading, an LME ring dealer. separately proposed revisions to the LME's copper contract. In a proposal sent to the

LME board Mr Green argued the contract had "become reflecting values in 'areas of The Baltic Freight Index net consumption' ". He sailed into the second week wants a new contract, to points, to 792, with pessi- into West Coast waremists in the dry cargo ship- houses", where some 75 per broking business fearing cent of total registered LME that before the summer is copper stocks now reside. out the all-time low of 554 Three-months copper closed

BAS	E MEI	ALS			7005			LVIII		GU
LOND	ON META	L EXCHANG	E	601	COME	_		NEGA CO	1	
(Prices f	irom Ameligan	majed Metal fraditi	ø		Sett	Day's		igπ	Yol	Open int
E ALTH	排風域, 89.7	PURITY (5 per too	AR)	Ang	287.0	-0.8	257.4	253		1,629
		Cash	3 mbs	Oct	268.4	-0.5	288.5	267.2		11,510
Close		1317.5-8.5	1339.5-0.5 1327-28	Dec Feb	290.5 292.4	-0.9 -0.9	291.5 292.4	251.2	16, 966 18	13,827
Previous High/low		1306.5-07.5	1343/1330	Age	294.4	-0.9	293.5	283.5	21	8,977
AM Offic		1311-11.5	1330-31		296.3	-0.9	297 A	297.4	246 21,114	12,611
Kerb de		296,713	1341-2	Total	nese k	United to	n Tanu s		- •	(echt)
Open int	i. Iy tamarer	41,197				_		_	_	
		Y (S per tonne)		Oct Jim	362.3 362.6	-4.5 -4.5	384.0	381.5 383.0	1,258	8, 63 4 845
Close		1160-5	1180-5	Apr	382.6		385.5		1	22
Previous		1150-60	1175-80	Joi	382.6	-45	367.0	387.0	1,383	9,386
Highlow		1150-60	1190/1180 1170-80	Total	LADION I	PAICY C	ine Teer	ere Cân		*-
AM Office Karb clo		1120-02	1183-90			_	-		-	2812
Open int		6,825	1.3	Sep Dec			255.00 257.00		91 15	1,044
	y lumper	1,713		Mar	277.00	-4,50	280.00	280.00	_	23
	@ bez joues			Total			_		100	3,479
Close Previous		543.5-4.5 535.5-6.5	549-50 542.5-3	_	er core	-				
High/low	•		553/538	Sep Dec		-15.7 -15.6	545.0 548.0	526.5 530.0		38,277 28,735
AM Office		539-40	544.5-6 552-3	Jac	532.5	-15.6	544.0	544.0	-	28
Kento cio: Open int		37,972	*****	Mar	533.6	-156	548.0	530.0	32	5,460
Total dail	y turnover	4,510		May		-15.6 -15.6	536.5 542.0	536.5 542.0	44	1,703 2,325
MICK	EL (S per ton	ne)		Total					7,255	80,085
Clase		4080-90 4130-40	4145-50 4190-200							
Previous High/low		4130-40	4230/4150	ENE	RGY					
AM Offic	iei	4105-15	4155-60	II CRO	DE CILL N	AMEX L	,000 be	mels, St	200	
Kerb clos		53,495	4150-6			Day's				Open
	y tenover	10,273			13.81	change . a ne	13.95	12.76	Voi 35,578	100 Se-
III Tes g	\$ per ionne)			Sep Oct	14,15	+0.06	14.24	14.10	18,353	70,377
Close		5820-30	5680-85	Nov	14.50	+0.08	14.55	14.43		35,681
Previous High/low		5700-10	5570-80 5680/5690	Dec Jan	14.75 15.01	+0.03	14,82	14.73		49,636 31,534
AM Offic	22	5770-60	5625-30	Feb		+0.01	15.27	15.22	1,972	
Kento cion Open int		15.048	5670-73	Total			_		75,176	erelets
	panove.	3,067		E CHAP	DE OIL P	E 15/00	Tel.			
zec,	special high	grade (S per ten	Ne)		Spor	Day's change	High	Law	Vol	Open
Close		1053-4	1073-4	Sep	12.64	+0.03	12.80	-	12,964	
Previous High/low		1056-57	1075.5-76.5 1076/1053	Oct	12.90	+0.03	13.02	12.90		42,303
AM Offic		1027-37-5	1056.5-57	Jápe Dés	13.22 13.50	-0.02	13.32	13.21	2.036	19,115 35,757
Kerb do Open ist		91,921	1073-4	Jan	13.69	-0.02	13.78	13.67		28,914
	y harrier	9,145	,	Feb Total	13.87	-0.02	13.93	13.85	(U)	18,242
# COPP	ER, grado A	(g be. mune)			100 OE.	MYMEX I	PEZ 000 S	E male:	of US on	
Close		1633-4	1652-3		Lutest			go	•	Open
Previous High/fow		18125-13.5	1633-34 1659/1638			change	Nagh.	Low	Yel	leg.
AM CITIC	إعلا	1622-23	1641-42	Sep		+0.82	37.50		12,716	
Kerb da		174,803	1652-5	Det	33.35 39.75	+0.52	38.80	37.75 39.40	2,394	23,514 16,929
Open inc	THE PERSONS	25,928		Dec	41,40	+0.32	41.50	41.05	1,213	24,991
m tue	ALL Official	E/S rate: 1.8352		-		+0,42	42,75	42,30		23,710 14,709
UE	Clasing £/5	rate: 1.8305		Feb Total	4440	-0.00	43.65	42.55	24,1371	
Spot: 1.62	95 3 milet 1.8	221 6 mile: 1.6139 9	mile: 1.8073							
				e eas	OL PE	- COLUMN		_		
						Day's				Open
	GRADE COP	MER (COME)					Right 100 95	107.75	101 0.000	被 15 745
	Sett Day	rs	Opes	Aug Sop	111.75	+0.50	113.00	117.75	8,190	28,452
	price char	ige High Lew	Val list	Sep Ost	116.75	+0.75	117.50	776.50	7,035	21,045
Aug		50 74.20 73.40 80 74.60 78.60	187 1,528	Roy Dec	120.50 124.00	+0.50	124.75	124.00		14,223 35,530
Sep Oct	74.70 +0.	50 74.50 74.30	135 2,137	Jen	128.75			128.75	320	12,383
No.	74.85 +0.5	5 75.00 74.40	19 1,582	Telef					19,0001	45,EE
Dec Jac		70 75.50 74.10 70 75.60 75.40	1,513 14,0/9 87 1,843	-	24 64	e më m	WI	i	ne for	
Total			8,547 57,834		RAL GA					
				Say Oct	10.150 11.210					2,520 3,505
PRE	CHOIR	METALS		Tetal			,		15/2	ala
					RAL GA	S RIVE	(HOUDO	pentils.	S/lamel	11)
		M Rodischild)			Latest	Day's				Open
Sold(Tro	-		in SFr equir		bujos	change	High		104	İşt
Ciona		80-286.30		Sep	1.835	+0.004	1.875	1.805	18,098	51,787

BASE METALS

MAL GAS PE (1,000 theres; perce per there) 285.80-286.30 286.00-286.80 285.70 285.30-285.80 285.30-285.80 ا برأيا ووفا MYMEX (42,000 US galls; critis galls)

Depts | Communication | Co 37.15 +0.82 37.50 36.35 12,716 50.510 38.35 +0.52 38.80 37.75 5,394 23,514 39.75 +0.32 39.80 39.40 2,304 16,328 1,213 24,591 807 23,716 641 14,709 24,137155,078 | 107.75 | 40.50 | 10.90 | 10.97 | 10.71 | 10.71 | 11.715 | 10.75 | 113.00 | 111.75 | 3.180 | 23.452 | 118.75 | 40.75 | 117.50 | 116.50 | 10.35 | 21.045 | 120.50 | 40.50 | 121.25 | 120.50 | 702 | 14.223 | 124.00 | 40.75 | 124.75 | 124.00 | 716 | 35.23 | 128.75 | 40.50 | 127.75 | 128.75 | 320 | 12.383 | 12.000 | 40.95 | 127.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | 128.75 | Latest | Day's | Free | Page | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 |

MEAT AND LIVESTOCK . GRAINS AND OIL SEEDS I LAK CATTLE ON POSICORS MINISTER MENT LIFE (180 MINES I par bound 1063 3,040 31,337 1094 1,075 45,985 1117 2,374 38,600 -0.8 287.4 285.9 316 1,629 -0.9 288.5 287.2 603 11,510 -0.9 291.5 287.4 16,966 100.54 -0.9 292.4 281.2 18 13,827 -0.9 293.5 280.5 21 8,977 -0.9 297.4 287.4 286 12,611 -0.9 287.4 287.4 286 12,611 - 88.75 88.75 - 72.90 71.25 - 74.80 73.50 - 75.75 75.50 - 77.75 77.50 242 3,525 134 1,836 79 896 39 700 446 7,556 64.525.40.450 65.250 54.750 1,941 66.550-40.650 65.950 96.000 1,225 84.500 46.750 65.060 54.360 47. 1134 130 14,277 1143 231 7,941 1785 2,100 23,887 251.51 +0.25 255.00 251.00 5,227 43,622 283.25 +0.75 27,700 267.51 89,935 63,942 284.25 +1.25 285.75 287.00 10,300 10,100 73,000 +1.50 285.00 283.00 200 3,494 378.30 +2.00 304.55 308.50 111 325 142.00 +2.00 308.55 308.50 111 325 142.00 10.25 308.50 111 325 1552 4,219 21,047 1597 2,526 25,463 1537 468 73,525 1664 338 5,666 1669 50 1,746 -45 3880 3815 1,288 8,684 -45 3840 3830 12 845 -45 3855 3855 1 22 -45 3870 3870 14 3 MALE ON (5,000 he say contribit bather 271.25 +1.00 213.00 214.25 65.728 85.317
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441.01 1077 (100 bount, 2 per bount 94 975 +0.125 85.406 82.500 1,976 88.175 +1.075 56.350 54.950 1,295 56.250 +0.950 54.350 54.350 1 E CUFFE LIFTE (5 times: S'ixine) -3 1679 1654 1,927 16,963 -4 1650 1621 1,008 12,119 -7 1633 1613 74 2,354 -6 1600 1600 13 1,413 -8 1602 1602 34 221 -6 1605 1605 25 78 3,668 33,088 27.3 -15.7 545.0 526.5 6,419 38,277 531.0 -18.6 548.0 530.0 798 28,735 532.5 -15.6 544.0 544.0 - 28 533.0 -15.6 546.0 530.0 32 5,469 534.6 -15.6 538.5 536.5 1 1,703 536.1 -15.6 542.0 542.0 44 2,325 738.0 548.0 542.0 1666 1635 1619 1603 1600 1600 M BARKEY LIFFE (100) bonns, E per frame 195.20 +3.20 195.90 130.00 5.649 14.852
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120.00 +0.25 118.00 119.00 44 1.439 SETS - 10.5 SELSI SELSI ST. 5772 5.00 SETS - 425 SH-9 SELSI ST. 242 V. 380 SL-7 - 425 SH-9 SELSI SL-27 75.51 56.75 - 400 56.50 56.50 2.47 11.70 SESS - 450 56.50 56.50 1,706 9.00 SELSI - 425 ST. 25 56.50 1,706 9.00 SELSI - 425 ST. 25 56.50 SELSI S 13.51 +0.05 13.55 13.76 35.86 103.77 14.15 40.05 14.55 14.10 18.25 70.37 14.50 +0.08 14.55 14.43 5,185 35.651 14.75 +0.03 14.82 14.73 4.07 49.826 15.01 +0.04 15.01 14.99 2,201 37.874 15.22 +0.07 15.27 15.22 1,972 17.878 23.0 +0.16 23.5 2.25 3.53 3.50 4.26 40.0 25.0 22.5 10.76 24.15 23.5 -0.01 23.70 23.5 4,50 15.82 23.5 -0.07 23.0 23.5 10.76 23.5 25.6 1.76 5.24 23.5 -0.05 23.2 23.6 1.76 5.24 23.6 - 24.05 23.4 1,48 7,176 44.00 172,44 24.00 172,44 W WAITE SUSAN LIFTE (50 turner, S/IDMN) +25 2520 248.1 776 20.805 +22 252.0 248.6 222 5.236 +20 253.0 252.5 244 7.529 +22 257.5 256.9 27 1529 +23 252.0 252.0 - 1.320 +25 252.0 252.0 - 650 +25 252.0 252.0 - 650 9.44 +0.04 9.44 9.44 53 5.597 8.94 +0.11 8.95 8.86 6.035 85.741 9.25 +0.07 9.26 9.19 2.460 40.511 9.25 +0.07 9.20 9.21 260 5.531 9.21 +0.07 9.21 9.20 49.552 9.38 +0.05 9.38 9.34 285 6.227 8.82 198,460 LONDON SPOT MARKETS \$12.23-2.29 \$12.06-2.09 \$12.69-2.72 72.53 -0.19 74.55 72.76 1.573 5.037 72.69 +0.01 73.45 72.76 1.510 15.969 73.10 - 72.27 72.70 1.510 15.969 74.10 - 74.05 73.70 62 4.400 \$109-110 \$50-52 \$119-123 \$118-119 256 501 397 200 200 1,81 107.80 +0.40 108.40 108.75 539 13.839 111.15 +0.50 111.40 108.86 178 5.162 113.80 +0.40 113.90 113.00 12 2.384 118.85 +0.40 177.00 118.00 11 1.846 119.40 +0.40 - 16 584 122.15 +0.65 121.80 121.80 - 375 10,73-10,18 PULP AND PAPER IN PULPEX CHAIX (USS), 24 air day took 79.0: 45.00: Copper Last (US print) 23.00s 269.5 98.34p 197.07p 49.02p 5214.00 5263.50 Usq 48.25p 46.75p 362.00m 650.0y 655.0 VOLUME DAZA

Open interest and Volume data shows for nontracts
traded on COMES, NYSEC, CRIT, NYCE, CHE, CSCE
and PE Coude Oil are one day in arrests. Volume &
Open topenest balaks are for all tracked gracelles. Spices from Men Producton
Prices in USS per tonne. Stack and white
papper prices carrie under heavier selfing
pressure during the week. Accumulating
supplies from new crops in Indonests; very
little buying attention sizes due to holiday
season. Black peppear. Spot traded at
\$5,000-\$5,100; shipment positions much
lower at \$4,500-\$4,600. White peppear.
Spot Europe traded at \$7,000; more detent shipment positions heavily alsocurated
at \$5,700. INDICES M Marches (Desc. 16/9/31 = 100) III. COS Puberes (Base: 1967 = 100) Jung 5 Aug 4 month 206.63 205.57 — III GSCI Spot (Same: 1970 = 100)

US data give end-week boost

GOVERNMENT BONDS By Jeremy Grant in London and John Labate in New York

an bond prices were yesterday after weakovernight caused flows of safe-haven funds into bond markets. Markets were also helped to a robust end to the week by US employment data, which were in line with expectations.

the eagerly awaited July employment report

By early afternoon the benchmark 30-year bond had climbed i to 106%, yielding 5.656 per cent. Shorter term issues also gained, with the 10-year note up % to 101%, yielding 5.428 per cent. The two-year note rose & to 1001, yielding 5.357 per cent. Trading was subdued, in

spite of the news of two BENCHMARK GOVERNMENT BONDS

Aug 7	Rest Desire	Common	Bad Price	Std Yield	Day chg yield	Wk chg	Month cho phi	Year chy yid
Bestrolla	01.01	8,750	108.0041	5.18	+0.13	+0.04	+0.03	+0.07
	08/08	8.750	123.7981	5.58	+0.12	+0.06	+0.16	-0.97
Austria	07/00	5.875	103.3800	4.02	-0.03	-0 07	+0.13	-0.05
	01/08	. 5000	102,0700	4.72	-0.03	-0.07	-0.08	-1.02
Jaighan	01/00	4.000	100.0900	1.92		-0.07	-0.09	-0.02
	03/08	6 750	107.3300	4.76	-0.02	-0.08	-0.06	-0.96
Comprise	02/00 08/08	5 000 5 000	92.4930 103 5700	5.34 5.51	+0.03	+0.05	+0.58	+0.69
Denmark.	11/00	9 000	109.7183	4.37	+0.02	-0.03	+0.15	-0.13
	11/07	7.000	115.5600	4.86	-0.05	-0.07	-0.04	-1 39
Finish	01/99 84/88	11.000	103.0298	4.73	-0.05	-0,07 -0.08	-0.12 -0.08	-0.29 -1.12
Proces	01/00	4,000	100.2200	3.82	-0.05	-0.09	-0.09	-0.22
	04/05	7.500	117.6500	4.40	-0.04	-0.09	-0.00	-0.53
	04/08	5.250	104.5800	4.65	-0.04	-0.10	-0.12	-0.98
	04/29	5.500	104.2100	5.22	-0.04	-0.09	-0.06	-1.16
Germany	03/00	4.000	100.2200	3.84	-0.03	-0.05	+0.06	+0.01
	70/05 01/06	6.500 5.250	112,0700 105,0000	4.48	-0.03	-0.09 -0.07	-0.14	-0.80 -1.10
	01/26	5.625	106.5700	5.18	-0.04	-0.09	-0.12	-1.23
Treined	10/01	6.500	705,6400	4.49	-0.04	-0,11	-0.89	-1.41
	08/06	6.000	108.9200	4.85	-0.05	-0.08	-0.12	-1.58
Italy	04/01	4.500	100,4900	4.29		-0.09	-0.03	-1.86
	05/03	4.750	101.0100	4.51	-0.01	-0.05	-	-1.81
	05/08	5 000 6.500	101.5400	4.78	-0.04	-0.08 -0.08	-0.13 -0.12	-1.89 -1.97
Japan	03/00	6 400	109 4600	0.48		-0.04	-0.05	-0.19
ardem.	06/03	4.500	716.6200	0.94	-0.03	-0.05	-0.06	-0.63
	09/05	3,000	111.8200	1.25		-0.05	-0.18	-0.87
	63/18	2,700	109.3900	211	-0.03	-0.06	-0.15	-0.73
Netherlands	05/00	9.000 5.250	108.4000 104.5360	1.94 4.87	-0.03	-0.05 -0.08	+0.02	-0.94
New Zooksed	02/01	8.000	103.3297	6.49	+0.02	-0.11	-0.66	-0.70
	11/06	8.000	111.5530	8.17	+0.04	-0.05	-0.18	-0.69
Rorway	01/99	9.000	101.5230	5.43	-0.06	+0.07	+0.11	+0,88
	01.07	B.750	109,1500	5.37		+0.05	-0.06	-0.68
Pertugal	03/00	5.375	101.8400	4.15	-0.02	-0.05 -0.07	-0,15 -0.07	-1.18 -1.47
Spale	04/00	6,750	104.2700	4.06	-0.04	-0.08	-0.13	-1.87
4	01/06	6.000	108.8100	4.61	-0.04	-0.00	-0.08	-1.54
Sander	Œ/09	10.250	109,6190	4.33	-	+0.04	+0.25	-0.52
	05/08	6.500	112.3680	4.87	-9.01	-0.03	+0.01	-1.65
Switzerland	03/00	5.000 4.500	104.5800 113.1800	2.03 2.80	-0.04	-0.08 -0.13	-0.08 -0.36	+0.49
UK	11/01	7.000	T01.8283	6.36	-0.03	-0.17	-0.94	-0.55
•	12:03	6.500	102.4558	· 5.85	-002	-0.15	-0.12	-1.04
	12/07	7.290	117,4531	5.65	-0.02	-0.11	-0.22	-1.34
	13/28	6.000	109.5000	5.38		-0.05	-0.25	~1.59
US .	05/00	5.500	100.1861	5.38		-0.11	-0.11	-0.54
	05/03	5.500	100,2153	5.44	-102	-0.10	-0.08	-0.75
	05/08	5.625	101.4672	5.43	-0.01	-0.07	-0.10	-0.61
	11/27	6.125	106.5996	5.86	-0.31	-0.06	-0.02	-0.57
	07/ 00 Q4/08	4.000 5.250	99.8600 104.2700	4,07	-0.03	-0.09 -0.09	+0.01	-0.40 -1.30
	Q4706	3.230	1042700	4.09	-mix	-0.09	-4108	-1.30

US TREASURIES made bombings in Africa.
slight gains on the release of Non-farm payrolls in July tracts traded. Traders said they were confident of furrose by 66,000, a sharper gain ther gains next week. than analysts were expect-UK GILTS closed slightly firmer in thin trade with

ing, while the unemployment rate remained at 4.5 per cent. Hourly earnings were 0.2 per cent higher. The key GERMAN BUND future, the September 10year contract, hit a record high of 110.13 before falling back to settle 0.26 points

higher. Volume in Frankfurt was modest with 385,000 con-

market attention turning to week. The September 10-year contract settled up 0.14 points at 109.84. The spread between yields on the benchmark gilt and bund contracts in the cash market widened by 1 basis

US INTEREST RATES

Broker from it		7's Tax	diporti		- Three y 100 Fine ye 116 10-year	E	5.35 5.40
Fed.feeds at	ninvestion	Si Sa	790	{	.18 10-year		5.42 LUS
					•		
BOND	RUTUI	res an	ID OP	TIONS			
France							
M. HOTTONA	L PLONGE	SOMO PUTUR	ES (MATE)	FF:500,000	i		
	Open	Sett price	Change	High	Low	Est. vol.	Open inc.
Step	105.71	108.04	+0.29	106.07	105.71	90,522	137,783
Dec TE LORUS TE	105.29	105.56	+0.36	105.55	105.20	11,535	698
Strike	-	CM				PUTS -	
Price	Sep			ac .	Sup	Oct	Dec .
102	3.4			.04	-	-	0.84
103	2.4			.14	0.01		0.14
104	7.51			27 37	0.04 0.15	•	0.35
			_		U.15 1999 Pag 382	20	4
						•	
German	,						
		RING FUTU	ES (1672)	DM250 00	0 100ths of 1	00%	
	Open	Sett price	Change	· High	LOW	Est voi	Coto let
Can.	109.81	110.07	+0.26	110.17	109.61	5914	701BB
Sep Duc	109.34	109.31	+0.25	106.34	109.34	50	1186
IN BROOM FL						-	1.44
State		CAL	Is —			त्याड	=
Price	Sep	Oct	tion D	ec S	ep Oct	Nov	Dec
11008	0.29			4 02		1.02	3.13
17950	0.09			28 0.5		1.38	1.47
11100	0.02			18 0.5		1.80	1,87
EST AND ENTER	T CENTRAL	BUND (BOB)) FUTURES	(CTTS) D	119626 Pub 14250,000 10	Debs of 100	%
	Open	Sett price	Change	High	LOW	BIL W	Open int.
Sep	106.24	106.42	+0.19	106.45	106.24	137,920	276,580
Dec	105.75	105.90	+0.16	105.91	105.75	2,193	20,337
Italy				_			
NOTIONA	L ITALIAN I	CYT. BOND	(EIIP) FUTL	RES (LIFTE	r Lina 200m	1000s of 1	00%
	Opén	Sett price	Change	High	Law	Est. 101	Open int.
Sea	121.62	121.84	+0.27	121.95	121.57	14434	99808
Dec		108.15	+0.27			0	954D
						-	_
TALIAK	GOVT. BOW	(इस) सम	BES OPTIO	65 (JTE)	∐ra200m 100	the of 100	h
Strike		CAL	15			PUTS	
Price ·			Oct		Sep	-	Oct
10309			5.15				0
10350			4.65				0
19400			4.15				0
Bet wat both.	Cafe 17 Pag	S. Presions o	lay's open bi	Cufs and	Puls 11876		

Ecu ÷0.29 171.22, 710.82 Low +0.14 +0.12 FTSE Actuaries Govt. Securities **UK Indices**

Ang 7 Ang 6 Yr ago Ans 7 3.57 3.60 105.93 105.87 105.58 105.79 105.75 96.5 106.78 93.31 Trees Spc 2008 Trees 5-spc 2009 Trees (Fejic 2010 Copy Spc La 2011 Trees Spc 2012 Trees 5-spc 2018-1 Teles 7-spc 2018-1 1264 Magazinester 11 lapo 2007 .-Mart. Wr. Spo B' Brokk Anglin 25 pp & 2021

CURRENCIES & MONEY

Yen plunges

Bully Wiles

MEAT AND LIVESTOR

The yen sank yesterday as

The yen sank yesterday as talk grew that China would devalue, while Keizo Obuchi, Japan's prime minister, falled to enthuse the market. He promised parliament about Y7,000m in tax cuts slowed to the property of the promised parliament about Y7,000m in tax cuts slowed to the promised parliament about Y7,000m in tax cuts slowed to the promised parliament about Y7,000m in tax cuts slowed to the promised parliament about Y7,000m in tax cuts slowed to the promised to the promised to the promised to the promised parliament about Y7,000m in tax cuts slowed to the promised to talk grew that China would devalue, while Keizo Obuchi, Japan's prime minister, falled to enthuse the market about Y7,000bm in tax cuts next year. But Mare Chanhest year. But Marc Chan-dler, senior currency econo-considering "a small adjustmist at Deutsche Bank in ment in the management of New York, said: "The mar- foreign exchange trading. kets yawn. By leaking the

details (in advance), Japa-nese officials have denied themselves any element of surprise." In late US trading yesterday the yen was at Y146.2 to the dollar, Y1.8 below Thursday's London close and only Y0.5 above its eight-year low hit in June. The Bank of Jacon did not

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1,6318 1,9057 2,4817 14,7006 1,6924

helped the dollar. It climbed in New York trade to DM1.732 against the D-Mark 14 pfg above its Thursday POUND SPOT FORWARD AGAINST THE POUND

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Autoniq Hong Rong Jude Japan Malayala Hone Zashad Polipilas Sund Aspin Sugapera South Abisa Tudand Trafand

BEENE BEENE BEENE

glong, governor of the

- Print, Charge-- 1,6345 - 1,6317

Traders sold Hong Kong currency forwards and stocks, forcing the Hang per cent, to add to its 2.84 per cent losses of Thursday. Market interest rates jumped

20,3177 20,5760 11,0674 2,7650 2,6674 2,6674 2,6674 2,6675

1,8313 1,9045 2,4718 14,8882 1,8315

255.729 6.739 6.739 2.1746 70.553 6.1526 7125.31 55.250 66.549

72 -18.1 -0.9 -7.7 1.2 0.7 -16.3

6,9992 3,1925 71,3635 8,1168 2,6572 10,3955

20,4034 59,7370 11,6512 8,87207 2,9017 401,412 1,1007 381,25 32,710 12,4004 34,610 10,000 10,000 2,4004

1.000 1.9117 2.5097 14.7797

2.7582 12.5702 50.5800 6.1450 20.550 8.3547 71.2850 8.1365 2.072 10.3351 50.035 50.035 61.6250

20,25% 51,45% 11,90% 2,80% 401,21% 1,1465 29,473 30,473 30,25% 12,25% 26,25% 20,25% 13,25% 12,25% 26,25% 24

20.1529 50.053 14.9674 2.760 4.5903 40.462 1.1465 263.13 50.053 3.2282 12.2562 20.594 74.59 72.595 2.3962

exchange rate of just under

dollar's 15-year-old peg to the US dollar would hold. Keyping the peg was the government's "resolutely then the three-month, while unchangeable policy", said the one-year average is strongest. And the pound Kong's chief executive. The today is weaker than all thong Kong Monetary three of them. This means that on technical grounds have been interpretation in the currency is decreased save.

hets in New York hours.
But Michael Wallace,
senior currency economist at
S&P's MMS in London, said there were strong ramours in the market that the peg would be taken off this Other Asian currencies dropped, with the Philippine peso falling to a six-month low. Vietnam devalued the

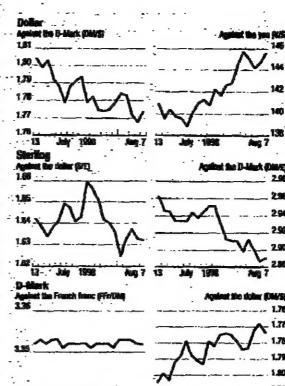
7/5066 3.1882 77/6133 6/6/36 2/5/91 11/4/3 -17.9 0.7 -1.0 1.2 0.7 -13.9

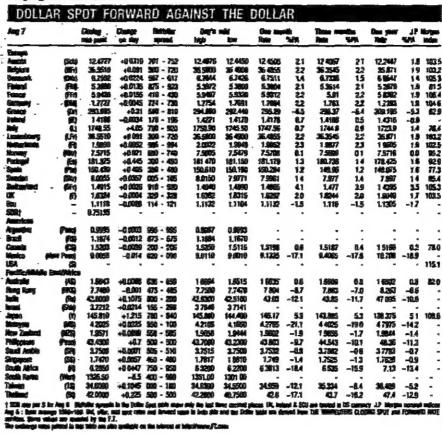
dong by 9 per cent.

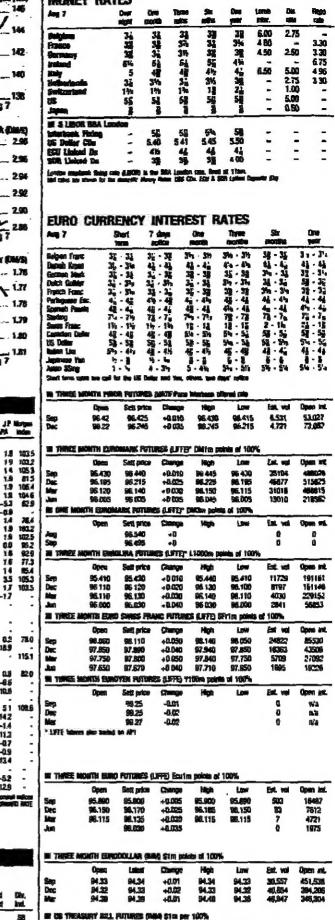
bomb waiting to implode,"

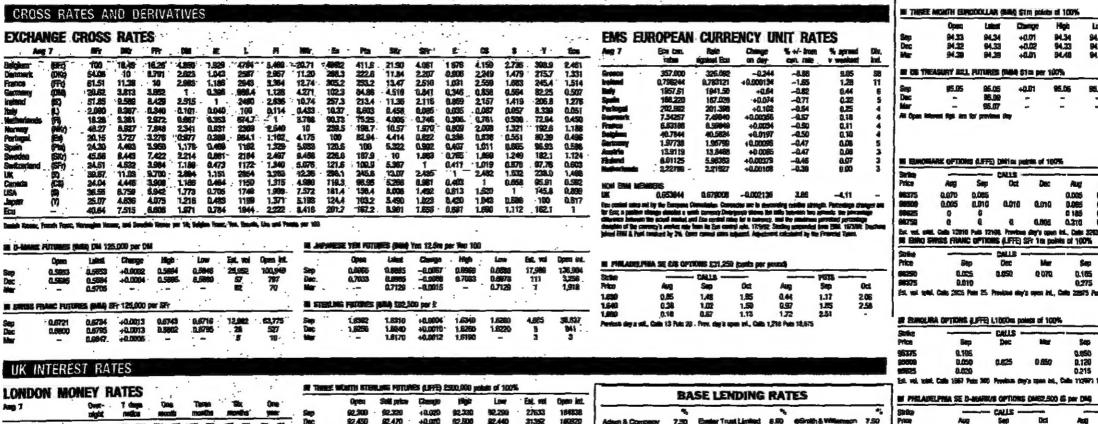
that would imply going up, pound to go down. He explains that the pound's one-mouth, three-month, and twelve-mouth average rates against the dollar and D-Mark are all falling in a key sequence: sterling's onethe currency is doomed, says

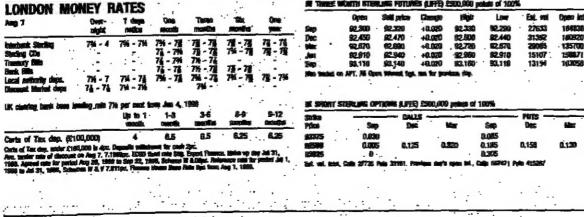
He predicts that if the pound dropped below \$1.62 to the dollar, it would then fall to \$1.50. A close below DM2.8760 against the D-Mark would also signal a new fall.
The mosaic will be in place, the crossword will be complete, the jigsaw puzzle will be done," says Mr Marber. For similar reasons, he thinks the dollar is going drop against the D-Mark.











	BA	SE LENDING	RAT	ES	
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Alled Irish Bank (GB)	7.50	Financial & Gas Bunk	5.00	Sum Blank	7.50
Oliumy Azebacher	7.80	GRaced Flaming & Co	7.50	TSB	7.50
Banço Bilbac Vizcaya	7.90	Habib Bank AG Zurich	7.50	United Bank of Kental	75
Bank of Cyprus	7.50	OHIembros Bunk	7.50	Unity Trust Bank Pic	7.5
	7.50	Hartable & Gen Inv Bi	750	Whitemay Laidan	7.5
Bank of India	7.50	C. Hours & Co	7.50	Yorkabine Bank	7.50
		Hanglery & Shargha	7.50		
Barik of Scotland	7.50	Investor Bank (UIQ La	27.50	 Members of Londo 	43
	7.50	Julian Hodge Bunk	7.50	Investment Barrion	
	7.50	OLoopold Joseph & Steal	7.50	Association	
Gibrouri Shipley & Co Lid	7.50	Lloyds Bank	750		
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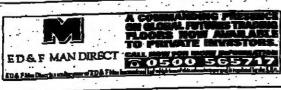
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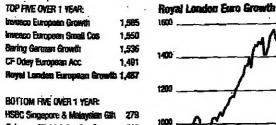
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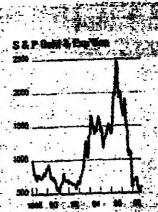
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3,312 BOTTOM FIVE OVER 5 YEARS: Save & Prosper Kores 272 Schender Japan Sreek Co'e Acc 347

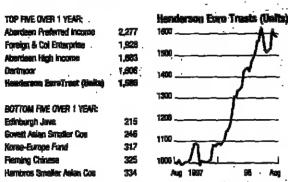
BOTTOM FIVE OWER 10 YEARS



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BWO Balanced Portfolio	1146		2341	-	32	0.9	M&G GRI & Prood Interest	1144	1379	1483	2196	1.5	5.2	M&G International Income	1063	1396	1593	3149	2.8 3.6	i Fleming Select American Old Muhual North American Inc	1126	1985	2276		42
Laurence Keen Income & Growth	1188		2007	-	2.5	29	Gartmore PS Food Interest	1123	1341	1395	2166	1.3	6.1	Premier Slobal 100	1861 1108	1388	1601 1701	1822 2963	3.2 ·		1138	1983	2248		27 0.9
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Laurence Keen Smaller Cos	1226	1973	-	-	3.5	12	HSBC Hong Kong Growth	379	930	1106	3395	9.3	26	Hewton International Bond	1860	1282	1245		28 4.4		583 525	882 527			5.8 1.1 5.6 1.1
BWD UK Smaller Co's	1239		2629	-	3.9	0.2	HWESCO Hong Kong & China	379	793	675	3006	9.5	22	Mariborough Managed	1090	1538	1345	2342	1.7 3.6 0.9 4.7		862	623			60 -
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INVESTMENT TRUSTS

I WINNERS AND LOSERS

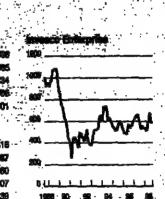


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Tables show the result of investing £1,000) कहा कींब	eet time ;	periods. To		Parallelli	d on 3-5	our parlamentes. Warning: part performance	je not e p	poliĝis to fac	jese (serie		For Ite		t trest prices non pasio paper.							· · ·					
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H. UK General Flaming Cleverhouse Marcary Spik Capital (Units) Mercary Keystone Govett Strategic Edinburgh UK Tracker SECTOR AVERAGE	1359 1307 1261 1300 1198 1254	2074 1781 1738 1673 1651 1620	2491 1918 2549 1809 2055 2069	-3 -3 15 -1	3.2 4.1 4.6 3.8	1.7 3.1 2.3 2.2 2.5 2.9	M North America Edinburgh US Tracker Fleming American North Atlentic Smeller Cos US Smeller Companies Foreign & Col US Smell Cos SECTOR AVERASE	1189 1165 1177 1069 1683 1094	1962 1763 1461	2168 2115 2394 1768 1554 1933	4 8 12 16	4.4 4.3 4.8 4.1	0.9	Baring Emerging Market Baring Emerging Europe Control Europeats Growth Fund Scudder Latin America Templeton Latin America Aberdeen Latin America SECTOR AVERASE	ts	1000 868 813 681 702 874	2603 1369 1308 1306 1033 979	:	19 14 19 16		Gertmore Brit Inc & Sth Zero Gartmore Shared Eq Zro Div Pri	1942 1102 1053 1065	1353 1350	1596	- 1.5 - 1.5 - 1.8 - 1.8 - 1.3	
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Glossary

Performance: Tables like these are full of traps for the unwary. Trap 1: don't expect them to tell you which trusts will do best in future - they are merely a historic record. Trap 2: don't make minute comparisons of unit and investment trusts - the unit trust figures take account of the spread between buying and selling prices; the investment trust ones take mid-market prices in both cases. So comparisons flatter investment trusts.

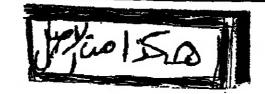
Volatility: Shows the absolute variability of a trust's performance. As a rule of thumb, the more volatile a fund's progress, the higher the return investors demand from it to compensate for the additional risk. Unusually volatile funds should be avoided by anyone investing over the short or medium term or those who cannot afford big losses. But investors who can afford to take a long-term view may want to have some high risk/ high reward trusts in their portfolio to spice it up.

Yield: Even this has traps for the unwary. Most unit trusts charge their management expenses against income, so the yield is net of expenses. But a recent rule change means that trusts are allowed to charge some or all of their management expenses to capital, thus inflating the yield. Our managedfunds pages identify those trusts which charge to capital. Investment trusts used all to charge expenses against income, but some now charge some against capital.

Peps: Some unit and investment trusts can be put into a general personal equity plan which shields investors against income and capital gains tax. The rules are that you can put £6,000 into a general Pep and a further £3,000 into a single company Pep. Up to £1,500 can be put into non-qualifying funds but to qualify for the full £6,000 allowance, at least half of a trust's assets must be in European Union shares or qualifying corporate bonds. Peps will be replaced with the individual savings account in April 1999, which has different rules, but existing Peps will continue to operate.

Discount: Investment trust shares traditionally sell for less than their underlying asset value. The gap between the two is known as the discount. In the 1974 bear market, discounts were as wide as 45 per cent and although they have mainly narrowed to well under 10 per cent in recent years, they add an additional uncertainty to investment trust share price prospects. The sharp narrowing of the discount is another reason why investment trusts look better than unit trusts on longer term

Split capital trusts: Caveat emptor. If you do not already know what they are, you would probably be wiser to avoid them. They are companies with more than one class of share capital. The traditional variety is relatively simple: income shares get all the income; capital shares get any capital growth over the life of the trust. But nowadays splits are highly complex. with several different types of security with differing rights, and aimed to satisfy different investment needs.



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FINANCIAL TIMES WEEKEND AUGUST 8/AUGUST 9 1998 11 Authorised Investment Funds FT MANAGED FUNDS SERVICE O FT Chylens (just Treat Prices any annihilate over the infections, Call the FT Chylens Halp Dank on (+44 171) 422 4274 for many district. S & P Gold & Exp Ton AUTHORISED ### Part | Part The last time of time of the last time of time of the last time of INVESTMENT ### Note: Street, Religion for College | Colle FUNDS -Contract of Contract of the Co N M . D **30** 1, 1441 pal I 1518 U. 1607 U. - 4 1484 51 'S 1200 13 02 10 1 2 70 20 1991 33 1234 122 6. 176 27 8 A - 18 2 1 in the day. · 100 1 . 2: T H 79 7 1 186 - 1 185 35 35 31 | Comparison | Com COFEX FACILITY

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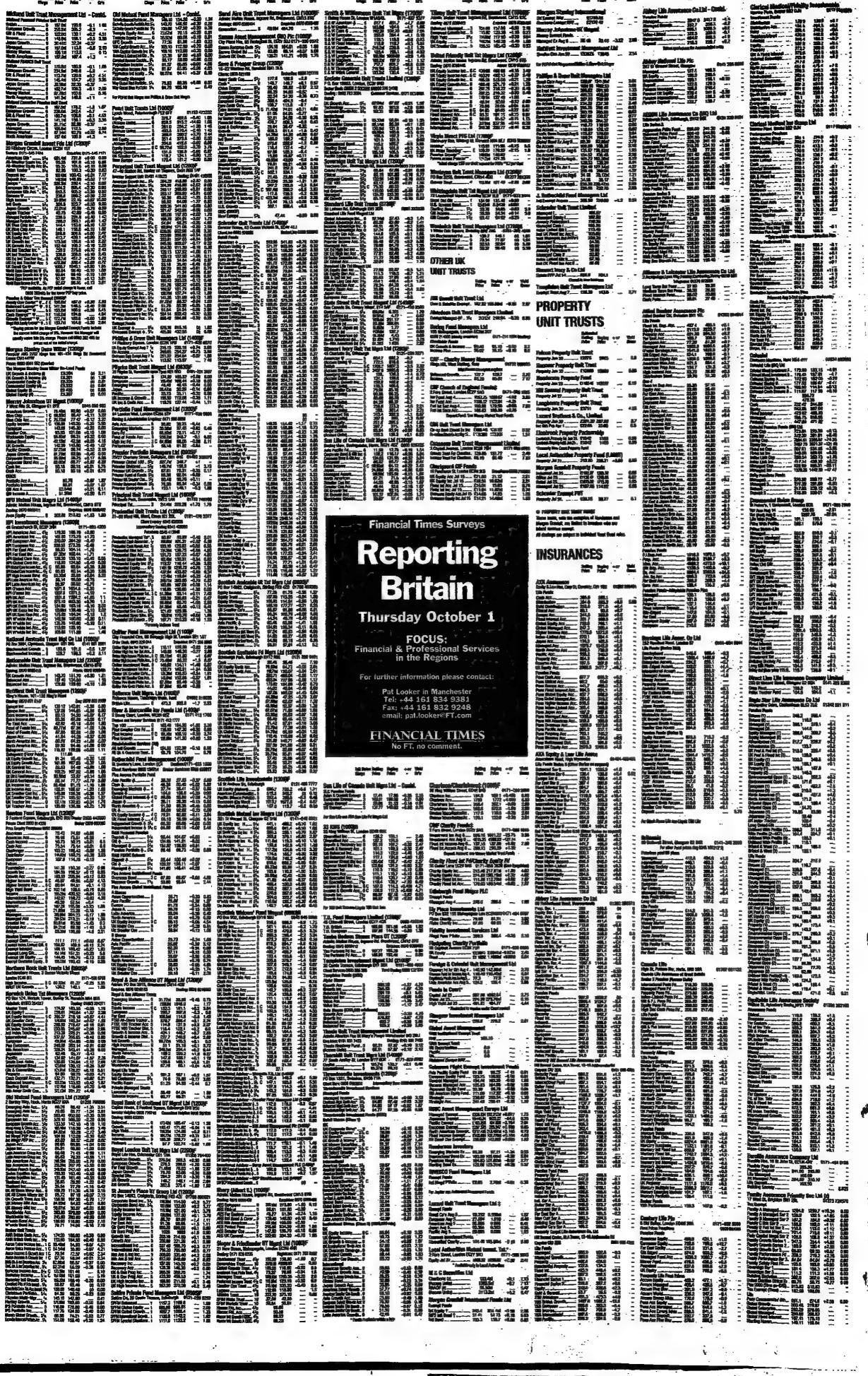
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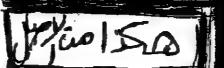
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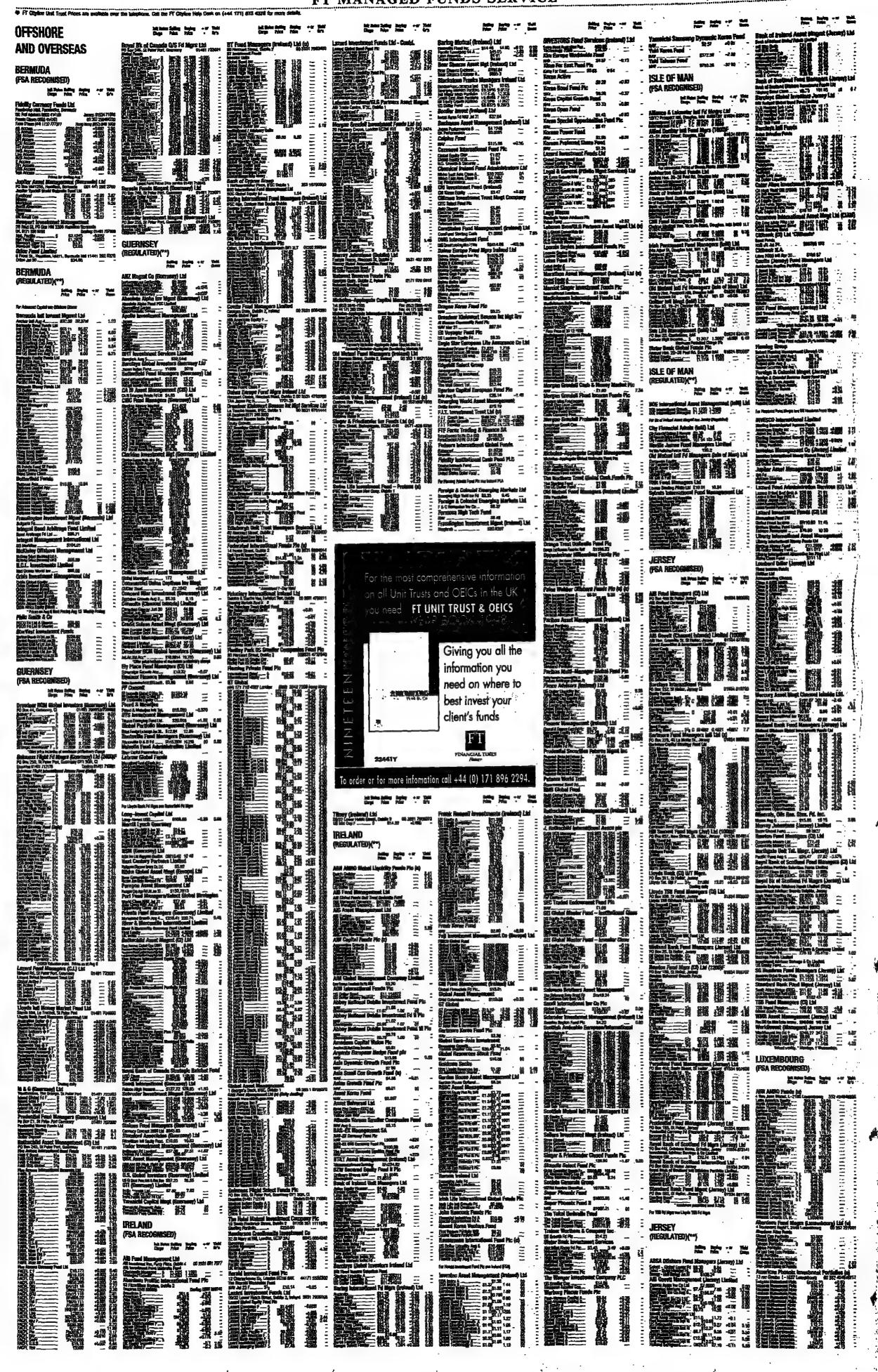


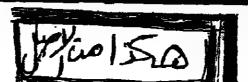
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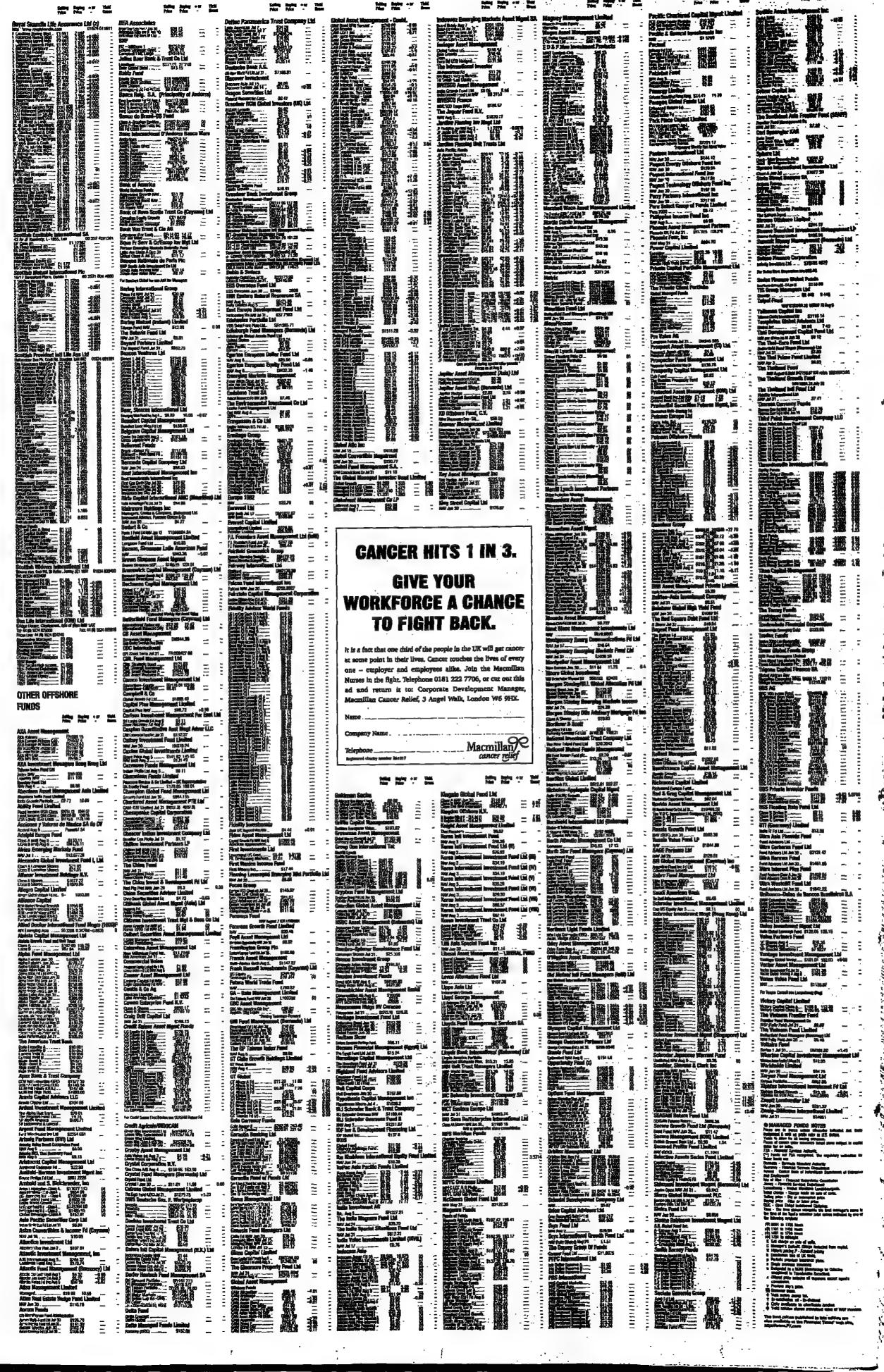


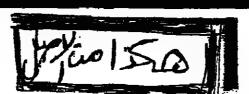
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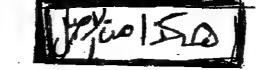
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LONDON STOCK EXCHANGE

US jobs data pull Footsie back from brink

MARKETS REPORT

London's stock market looked into the abyss yesterday, paused for reflection, and then stepped back from the edge .

The FTSE 100 index was off 5 points shortly after 9am when the pre-market index is calcu-

It slipped further over the next half hour, recovered and then fell again as dealers prepared to batten down the hatches.

Having survived one test on England left interest rates on hold at 7.5 per cent, Footsie faced tor which historically offers solid

CA LEVED BALL

another trial yesterday. Key US support and is used by chart-employment numbers, due based analysts as a tool for stock market historian who has a filtered through to the PTSE 250 around lunchtime, threatened to long-term portfolio management.

threat of inflation. in a market acutely sensitive to any negative signals, even fig- bad sign. ures broadly in line could have sparked off some serious selling.

The FTSE 100 index, which arguably provides the most sensitive indicator of how investment institutions see the health of corporate Britain, hovered on the good support level. The last time edge of one of the principal tech-

Over the previous two days it Thursday, when the Bank of had briefly breached the 200 day moving average, a lagging indica-

revive nervousness about the . If the market breaks below the to 1919. average for any sostained period.

> But lan Rankine, technical analyst from Durlacher, the private a rise of 66,000 jobs. And client stockbroker, said that the although economists had pre- days. The latest inflation report market just managed to stay above yesterday's average level. "Historically, the average is a investors in the US reacted with

it is considered an exceptionally

"Light reside boomcod after that." The exception is when the downturn has already begun. "If we are already in a bear market, prices will drop to well below

EQUITY FUTURES AND OPTIONS TRADING

we hit it was October 1997 and

payroll data reflected the weak- at 2.413.1. est growth for two and a half years. The figure for July showed

dicted a reduced figure because is due on Wednesday. of the long General Motors strike, relief. The Dow Jones Industrial Average gained 100 points in the morning session.

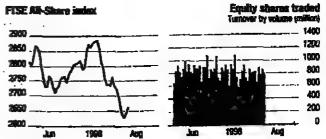
It was the spark the UK market needed for recovery and through- an August Friday and was evenly out the afternoon share prices climbed steadily to hit a closing Footsle stocks.

However, the SmallCap failed to In the event, the US non-farm join in and ended a net 0.2 lower

> Economists were still nointing out that there were other big hurdles to come over the next few

> At the same time, average earnings statistics for May are expected to show wages rising by 5.3 per cent annually. Turnover of 750m shares yes-

> terday was relatively strong for spread between Footsie and non-



ices and ratios			FTSE 100 Index
£ 250	5323.0	+120	Closing index Aug 75680.
E 350	2735.1	+35.1	Change over week156:
E All-Sharp	2660.68	+32 18	Aug 6
E All-Share yield	2.99	3 02	Aug 5
30	3662 1	+51.8	Ang 4
E Hon-Fins pie	22.44	21.65	Aug 3 5809
E 100 Fut Sep	5710.0	499 D	High* 5930.
yr Gillt yneid	574	5 76	LOW*5546

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-3 -105

to 242p. Brake Bros shares

Plans by bodywork group

Healy's to form an integrated

bus manufacturer by merg-

ing with chassis maker Den-

nis were in tatters after

Mayflower stepped in. There

had been reports earlier in

the week that the acquisitive

Mayflower was interested in

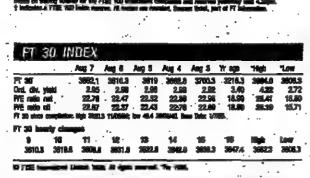
Dennis, Confirmation that

talks had taken place

prompted a surge in Dennis

were unchanged at 787',p.





Aug 3 Exply

Oil stocks were the focus of price of the stock would make attention in the traded options the position profitable, while buying the puts reduces the potential downside. market yesterday, following poor results from Shell earlier in the week, writes Martin Shelf saw the largest numthat deal was said to involve

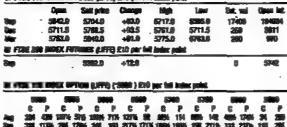
ber of trades, 2,455 lots, while BP followed closely with 2,288

The Shell trade centred on the October 360p puts, where 1,500 lots were dealt at 16p. The deal was said to include the purchase of the underlying stock at 364p. A rise in the trade, of 2,218.

TO FIRST 168 MINES PROPERLY AUFTS 220 per full index solel

. The January 330p puts saw 900 lots traded for 11p, while the purchase of shares at

in BP, 1,100 lots of the October 850p calls went for 21p, while in the October 750p puts a similar number went for 32p.



									- 10							
American III	32	-	1974	25	1935	7時	187	99	77	1236	-	187	- 39	183	26%	220
1		1011		120				171	111	120	107	174	-	25	101	40
Dair	386	185	39Th	1786	302	1075	272	217	245%	2016	2189	280	191%	201	188	310
Dec	484	227%			40%	25%			30th	283			310	3456		
	88374	394			100	20			401	374			-	494		
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7 (00)	7"													_ ,		



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o Childrenton	FTSE 250+10.75	Charalter intestate0.28
relats+23.22	FISE 100+10.81	Gas industrials2.00
18.15+ 421.64	FIX Al-Same+10.96	Salation, Control
	FISE 350 Higher Value48_17	
- Assertation+19.61	Insulated Totals49.84	Englacetra7.22
	Flestin Care	
	Benerius, Polo & Red+8.21	
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+15.09	Martin	(NATS)10.21
474.S	Construction16.92	Extractive Industries11.07
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2786.3	+1.3	2752.8	2773.3	2340	215	122 2	第 16.22 介 23.65	32.72	203.11	367.3 367.9 278273	WV7	2452.6 1487.8 2350.18	19/1 19/1	3072.0	11/5/96 20/7/96		
2905,8 2651,8	+12	2395.51 2625.50	2563.86 2643.40	2160,41 2354,83	3.57 2.99	2的 2 2型 1	JN 17.43 85 21.49	\$9.67 41.99	2112.45	2783,67	96 297	2516.19 2586.32	2/1 12/1	2793.83 2005.17	\$15/35 28/7/56	1363.78 31/12/92 81.82 13/12/74	ASDA 180 17 3
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=						_			_			_	\$625.71I	135	3654.61	- 44		30087	996.70	1928
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	OR Emioration & Pros(12)	2548.75	+0.7	2029.24	2674,12	3847,3	215	1.78	1,74	37.44	33.41	1846.35	3021,18	2/1	2525.24	84	3005.34	17710257	050.20	287/8
_	CEN MIDOSTRIALS(216)	1950.08	+1.5	1921.80	1909.86	2051,4	3,72	327	228	14.74	3.3	1146.36	2417.98	225	1864.82		24(7.JK			14/1/8
	Construction(38)	1374.14	+0.8	1366.37	1358.57	1371.9	3.59	291	272	12.80	22,87	1228,43	1786.73		1265.79		2125.50			
	Name of Persons	1805.84	+1,4	1583.24	1988.10	1935.4	4.58	3.50	200	NE.	39.74	879.24	200.10		1592.10	30	292.22 315.03		854.80	998
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	Diversified Industrial(7)	2000 50	125	2538.08	2498.28	2196.2	2.01	237	1.84	73.27	23.08	1433.90	2913.96		2554.00	22/1				2990
	Contract & Sect Endy(25) Engineering(63)	2570.25	+17	2528.40	255.34	2790,74	1 3.76	129	2.49	13.57	90.01	1864.57	3335,27	115	2401.00	237	333LF		962.80	TOTAL
	Engineering, Vehicine(11)	3863.44	+1.6	3802.2	3664.53	\$165,9	1 226	207	3.30	16.32	43,55	2130.02	4572,18		2421		422.5			
	Paper, Poly & Printing(22)	1932.79	+6.8	1916,90	1910.08	2140.9	4.54	416	241	11.17	43.57	675,16	2475	265	1919.50	51	3142.02	11/7/15	26.77	141/6
in	CONTRACT ROOMS	2885.94	+0.5	5835.82	\$867.62	4686.2	2.59	230	1.73	27.90	82.43	2245.24	SI 62.22		4075.19	21		2 1/3		147/0
	Alcoholic Deverages(R)	3961.71	+1.5	3900.58	1172.13	2502	3,42	2.89	1.59	<i>2</i> 233	6L97	152.8	680		11212		644			
	Food Produces(25)	3803.40		उद्यास	3811.77	3185	275	234	1.00	21.70	6.0	1900	400.2		322730	12/1	4225	8/5/98 24/4/98		21/1/8
	Hammorit Greek & Terrison	3107.10		3108.57	3057,42 2441,86	3153,63	329	3.13	200	17.30	30.57	131223	3704,66		2235.74		28/11.34		37.10	
	Health Care(13)	2464.36	+2.1	0990 77	9452.47	7540 97	1 2	1.75	福	41.77	105.64	\$393.74	18951.65		25.5		10564.55			1374
	Planmaconficate(19)	SSJ (./0	-0.4	ACTO AS	5544.84	4267.20	4.61	4.07	1.61	15.23	130.10	1583.33	5E7.55	1717	472.00		357.26			
-	Tobacco(3)				3504.21									207	2000.07	197	3001.50	207/50	944.00	23/1/8
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	(1)	4424,43	-02	4432.91	1409.28	4151.74	2.36	1.98	2:15	24	57,13	1678.80	4800.04		3000.21				976.75	87.4
44	Retailers, Food(13)	2960,513	-0.3	2968.36	2996.33 2133.86	2412.83	3.00	240	217		47.50	1911 77	2073 OR		2712:23 2533:86	. 50	351.5 7471.00	6/7/96 8658		9/12/0
45	Retailers, Gentral(45)	2141.57	-0.3	2147,04	4750.83	207 2	130	1.48	144	45.30	47.93	2397.35	5141.5		2738.24		3141.58		302.30	_
46	Telecommunications(10)	2000 93	-110	7940 06	TO 2007	3348 41	115	2.53	23	764	55.00	2025.58	4443.58	W	SHUR	- 14/1	4441.58	95/98	982.00	14710
	Browelles, Pube & Rust (24) Support Bervices(64)	4977 57	-81	4994.16	4868 RB	3084.63	1.23	1.84	16	27.16	30,07	3215.89	5473,71	-	2004.00		50531	97/36		1/2/01
	Transport[24]	3815.38	+1%	3862.70	367L76	2556,71	271	2.72	1,51	345	57,50	1755.48	4127.00	1707	278L07	201		17/7/85	96130	
_	titiumesc28 -	4067.54	+1.7	4022.02	4010.88	3038,06	196	125	173	1528	第.19	1 50	4100萬		TILI7		447.55			3194
	Bectricity(8)	4436 04	+1.5	4320.05	4335,15	3320.5	4.54	3,53	1,25	14.57	101.11	ADT AS	-		257.55 55.155	271	481.75 325.39		985.70	7/1/91
	Gas Distribution(2)	3181.01	+1.4	3137.87	3160.23	2262,80	205	1.54	3				3355.30 7700.04		342.40 365.36		3/30.04			
18	Manager (12)	3525,12	+0.3	3673.37	3602.06	2850473	4.71	203	231	11.31	11674	220040	200		29136		2022			13/12/74
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70	FEMILIALS(196)	5091.37	+0.9	5045.07	5072.42	4741.8	331	2.73	212	17:79	85.10	2355.3U	2070.57		4718.05 GERASE	13/1			172.30 172.50	
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	Life Assurance(5)		6.5	4570.44	4575.58	9323 FI	2.48	2.02	2.75	23.61	71.17	27 BO 34	3214.56		3729.08	121		154/8		
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	Property(45)	3718.96	+0.5	1700 87	3728.10	3576.26	218	1.77	1.55	40.51	Q 37	1353.85	4114,22	285	2702	13/1	4111.22	28.5/98	9720	147/0
					0049 40	2284 99	2.00	2 82	4 05	21.42	AH 000	2419.10	288.07	207	Z#12	12/1	285.17	207/64	81.92	13/12/74
88	FISE AN-Share(050) FISE AN-Share ex Inv Th(736)	2680.68	+12	2525.50	からか	255.17	101	污	S	21.10	24	1248.01	2002.36		2365.71		782.35			
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6594.1 5589.8 5511.5 5510.2 2700.1 2702.2 2611.99 2412.84 2828.47 2830.47 5585.9 5308.9 2697.0 2412.97 FISE 250 FISE 350 FISE SIMBCAP FISE All-Share | 2017/285 1000.00 | Specific Street | Specific FTSE 350 FISE 350 ex law TY FISE 350 ex law TY FISE 350 Higher Yield FISE 350 Lower Yield

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Unilever numbers hit a nerve

COMPANIES REPORT By Joel Kibazo and Martin Brice

Angio-Dutch giant Unilever joined a growing band of Footsie - constituents that have rattled the nerves of analysts this week when it reported disappointing sec-

ond-quarter figures.

The group made £722m, £50m below expectations. fall on increased spending on marketing and depressed

demand in Asia. The shares fell 45 to 545p before a recovery in the afternoon on a combination of bargain-hunting and the strong market trend saw them close just 4% lighter at 585%p. Volume of 16m made it one of the day's most

active stocks. Analysts indicated current-year profit estimates were being downgraded by a the £2.9bn mark. Carl Short at SG Securities said: "The shares are likely to underperform until the rate of sales growth improves."

Unilever's disappointing igures ended a tough week in which Shell Transport, Barclays and Pearson delivared unexpected blows

Shell left analysts frustrated on Thursday after it produced profits at the bottom of forecasts and angered oil specialists by offering a poor explanation. Having fallen by nearly 7 per cent in the previous session, the shares bounced 20 to 376p yesterday in trade of 26m. Dealers attributed the rise to the firm market trend.

out of the dol-

nary shares at around the £16.43 mark. The group reported an uninspiring set

But it was Pearson, the media group which owns the Financial Times, that had the most volatile ride this week. Having started at £11.20 the shares scared to £12 after the company reported interim figures that bettered expectations on

Monday. However, the share price turned down when Pearson surprised the market with a placing of 28.9m new shares raising 5328m. That sent the stock below £11 and, against a firm market, the shares yesterday surrendered

another 15 to £10.78. Analysts were trying to distributor and cash-andcarry group Booker after it

confirmed it was in talks

that could lead to a merger.

The announcement came

after the market closed.

Booker a prize

Several names were suggested as possible suitors. They included Costco, the US discount warehouse club, the German retail group Metro, which on Wednesday denied market rumours it was planning to bid for Booker, and food dis-

tributor Brake lines. One analyst pointed out this week that the Metro and the stock rose immedidenial did did not rule out ately after the news to 451p, the German group being a premium to the indicative interested in parts of the

RISES AND	FALLS					
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General Manufactorem	133	113	200	810	980	1,177
Consumble Boods	63	56	187	274	537	719
Servicae	129	146	304	£16	1.150	1,209
Library .	29	7	18	87	111	62
Connection	103	83	203	401	8	794
Inspirant Trests	136	135	309	365	1,413	1,135
Others	95	57	559	248	492	1/153

noon, closing at 4560, up in trade of 1m.

Hendys closed down #1 at 29p, with analysts suggesting it would have difficulty in trumping Mayflower's easy for Henlys to to come back against a group that shares to pay for the deal would be highly dilutive to earnings, while mising cash would leave the company

highly geared. Mayflower's shares lost 2 acquiring Rolls-Royce had

Yesterday shares in Booker gained another 15's come to naught, and one analyst said: "Mayflower cannot lose this deal, or people will start to less faith in the management." The placing of 17m shares was believed to be on behalf

of France Telecom, which owned a 22 per cent stake in the information technology would leave it with a stake of about 18 per cent. Sema shares, which stood at 310p a year ago, were off 38 at 607p.

shares, which rose 45p in a footsteps of a similar move Dennis, which announced last month, when a 8 per last Thursday July 30 that it cent stake owned by Paribas had agreed to merge with was placed by the French the larger Henlys, said yesbank and HSBC. Paribas terday that talks with Maythen agreed to make no furflower had started last Frither sales for six months. Sema soid that move would Mayflower was considering broaden the institutional

an offer for Dennis at 450p investor base and enhance liquidity in the stock. Other IT stocks fell, with FI Group off 57% to £18.30 price. Dennis continued to and Logica off 105 at £20.25. advance during the after-One analyst said: "As the relative outperformance has begun to ease, momentum investors appear to have des

erted the sector." Compass Group rallied to the top of the FTSE 100 as the stock rose 50th to 588thp after HSBC reiterated its

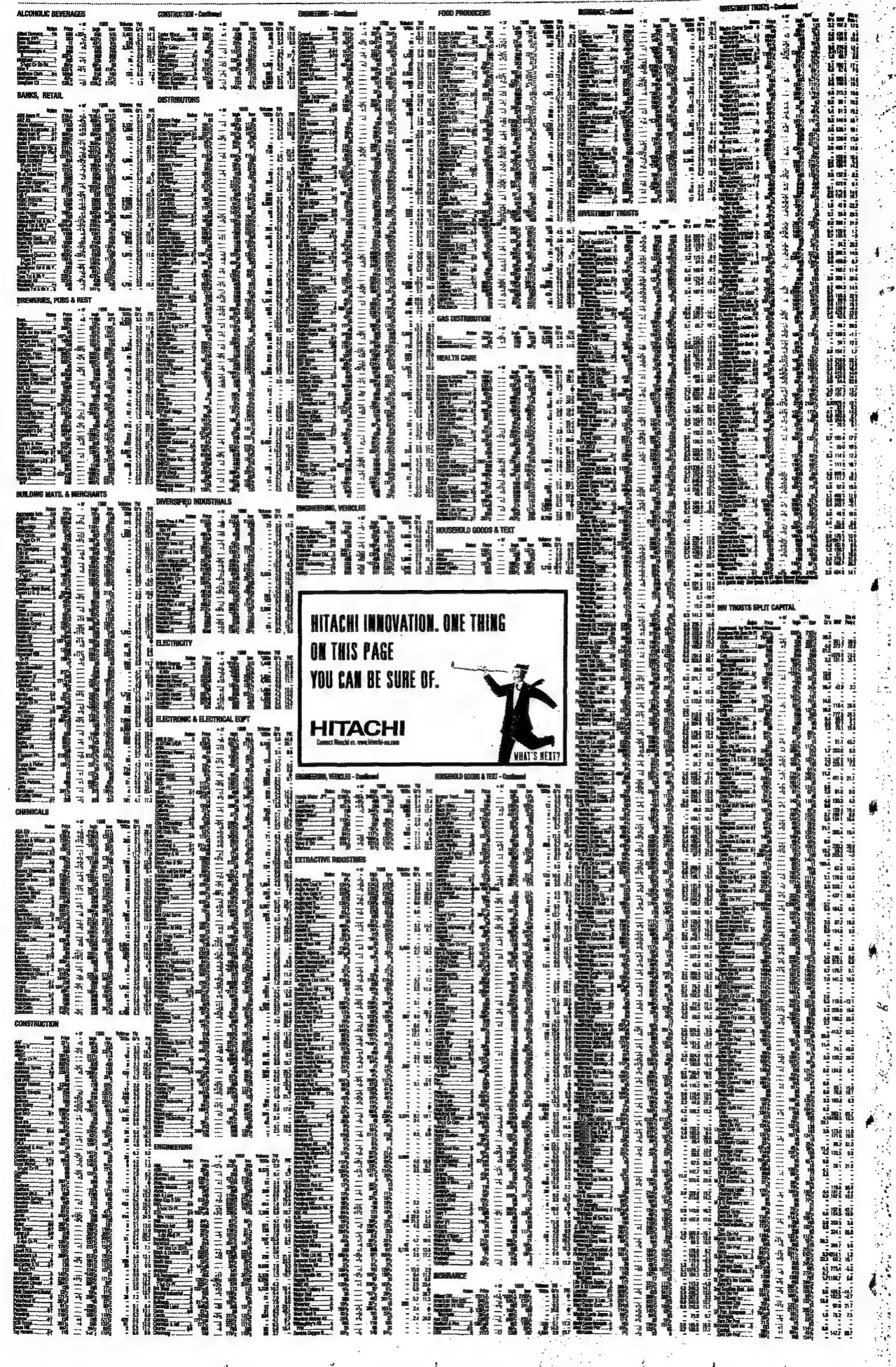
Heywood Williams was up 17% to 245p as it moved to complete its transformation from a mini-conglomerate to

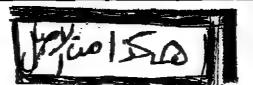
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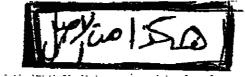
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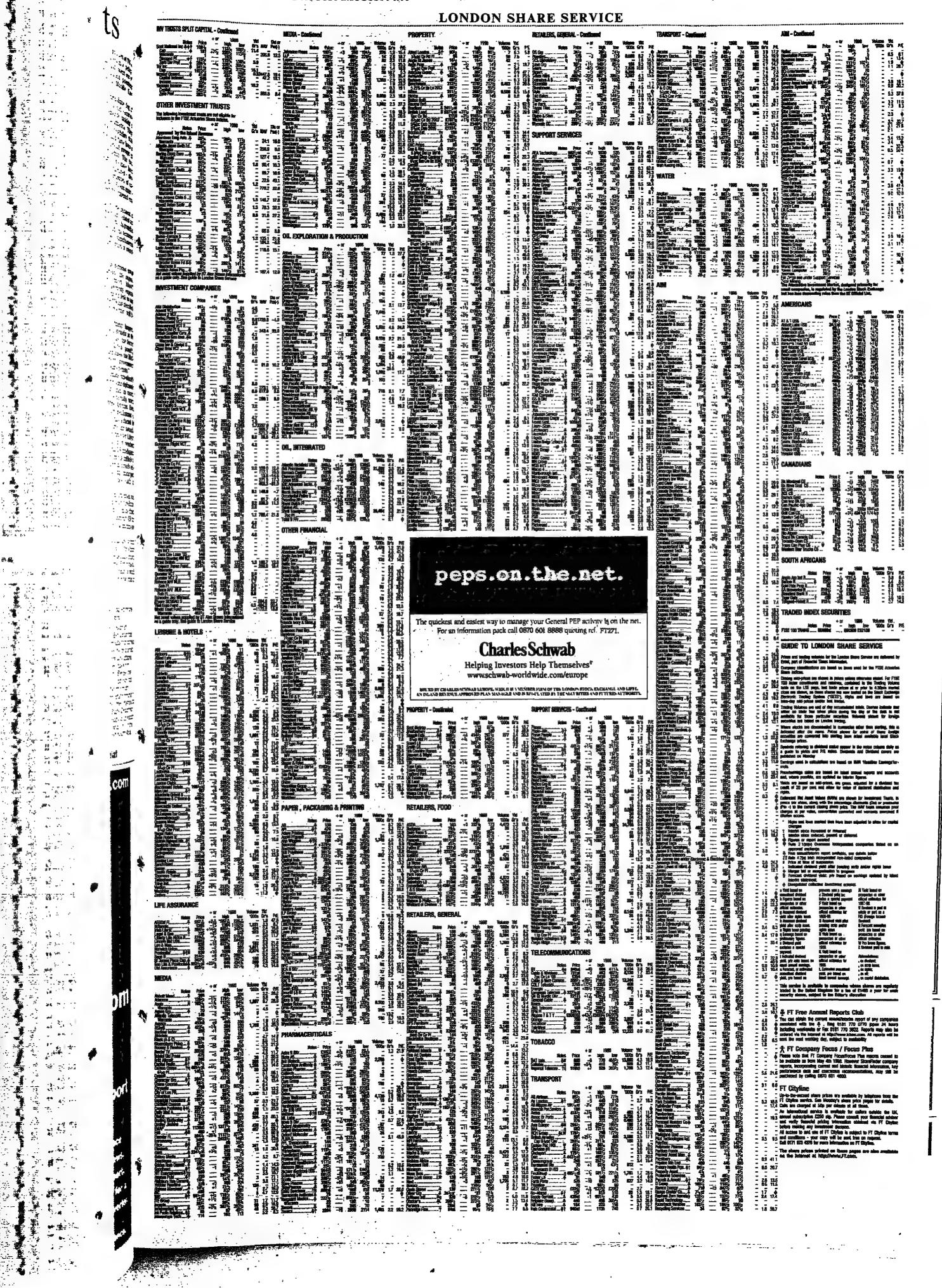
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Small-caps Hong Kong pushed lower by currency fears and hi-techs lift Wall St

AMERICAS

US shares continued to rally, with technology and payrolls rose by more traction in first-quarter outblue-chip shares pushing broadly higher and lifting the Dow Jones Industrial Average back near 8,700, writes John Labate in New

The Dow was up 109.94 or 1.3 per cent by early after noon at 8.687.62. The Standard & Poor's 500 index climbed 11.09 to 1,100.72.

Technology and small-cap shares were in the lead for a second day. The Nasdaq composite surged 33.55 to 1,863.06 as investors snapped up a range of computerrelated names from internet to hardware producers.

But even more impressive were smaller caps, with the Russell 2000 index powering ahead 3 per cent or 12.17 to In the semiconductor sec-

tor, Intel gained \$11 to \$881 after Lehman Brothers raised the stock to a "market performer". Other chip stocks were strong, with Lattice Semiconductor up more than 9 per cent or \$29 to \$33%. Three Com, the computer networking products maker, gained \$1\frac{1}{2} to \$27%. CBS shares rose \$15 to \$32% on takeover speculation. Sunbeam, which has

or 7 per cent to \$74 In the Dow, Boeing surged 5.6 per cent or \$21 to \$39. American Express also gained ground following Thursday's steep sell-off. climbing \$14 to \$102% after pesos, but the broad market Donaldson, Lufkin & Jenrette named the stock a "top

been heavily sold of late.

rebounded with a rise of \$1/4

The latest employment bolster the mood. Non-farm news of a 2.8 per cent consharply than expected - up put spilled over viciously 66,000 - while the unemploy- into the foreign exchanges, ment rate remained sending money markets

unchanged at 4.5 per cent. rates steeply higher. In the Treasury market, bonds were higher. The back on traders agendas, benchmark 30-year bond was but most people think it's a almost 14 per cent. The redup ½ to 106m, to yield 5.656 scare story rather than a chip index lost 3.1 per cent tion. TORONTO stayed on the

ropes after a profits warning from one of the big banks sparked a wave of selling. C\$36.85 after announcing that third-quarter earnings would fall short of expectations. The sector, a weak market lately on rate concerns, juddered lower. Toronto-Dominion lost C\$4 at C\$52.50. The heavyweight golds sector was also dull with Barrick down 25 cents

at C\$25.15. The combination proved too much for the 300 compos-Ite index, which was off 59.33 at 6.616.50 at noon in marked contrast to the powerful early run on Wall Street. SAO PAULO moved lower

in early trading as worries about currency weakness across Asia sparked selling. Telebrás, down 1.6 per cent on Thursday, fell a further 1.2 per cent to R\$123.50. At midsession, the Bovespa index was off 108 or 1.1 per

MEXICO CITY also moved lower in limited trading volume. Telmex improved, adding 20 centavos to 21.05 stayed dull. The IPC index was down 21.51 at 4.003.24 at

All share falls again

SOUTH AFRICA

Terrorist attacks in Kenya heavily sold and the finanand Tanzania plus a wobbly clais index gave up 21 per day across Asia sent Johannesburg lower for the third lost 1.2 per cent at 7,722.6, to FFr1.601. day running. The all share but golds gained 1.1 per cent index ended off 1.2 per cent at 962.5 for a 3 per cent rally at 6.643.3.

Financials were again under pressure. Banks were cent at 11,524.7. Industrials

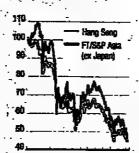
Battered by currency fears, HONG KONG extended its decline this week to 11.6 per cent, with the benchmark Hang Seng index ending off a forther 235.95 at 7,018.41, down 3.3 per cent on the day. Worries about the econ-

report provided the main only following this week's Devaluation is firmly

> However, three-month interbank rates ended the day at 12.75 per cent.

It proved a powerful signal Canadian Imperial Bank of for the sellers of equities. at 16,820.31 on August 7 in Commerce fell C\$7.15 to Market heavyweight HSBC the wake of the buying spree MI HK\$6.50 to HK\$161.80 for that followed the handover

Hong Kong since the handows with prime minister Keizo



real threat," said one broker. and H shares came off 2.6

The Hang Seng is now well below half its level of year ago. The market peaked

FFr29.90 or 8 per cent to

the turnsround in sentiment

rebound at Royal Dutch

Shell, which rose 5.9 per cent

after Thursday's 7.8 per cent

shakeout. The AEX index

CHARGES ON THE

ended up 16.47 at 1,179.39.

Royal Dutch climbed

F1 5.40 to F1 97.50 in 12.8m

shares traded, helped by an

upgrade by Goldman Sachs.

The broker trimmed earn-

ings forecasts in the wake of

Thursday's weak second-

quarter results, but lifted its

recommendation to "market

outperformer.

Frankfurt

Obuchi's first stab at fiscal engineering. His keynote speech to parliament yesterday left the Nikkei 225 Average down 47.05 at 15.829.17. The benchmark traded between 16,037.26 and

The verdict of traders was that the speech was mostly a remix of policy measures the markets had heard and dismissed before. Crucially, Mr Obuchi was

15,797.30.

felt to have offered little support for the banking sector, which accounts for 15 per cent of market capitalisa-

stocks again fared badly. Bank of Tokyo-Mitsubishi the lowes fell Y9 to Y1270, Fuji Bank ary 1993. fell Y9 to Y469, Sakura Bank fall Y6 to Y310 and Industrial Bank of Japan fell to Y698. The Topix index of all

TOKYO was unimpressed CHANGES ON THE bled 5.7 per cent, falling 15 which rallied on reports that centavos to 2.50 pesos.

low of 9 pesos. C&P Homes, the housing developer, fell 5 centavos or 4.9 per cent to 97

in the region, with the year low of 358.72 carlier in Straits Times Industrials the session. index losing 26.51 or 2.5 per cent to 1.039.27.

at 1,225.30. Volume was a dent Peter Seah of expectamodest 370m shares. In Osaka, the OSE index gave tions of negative growth in the second half, added to the MANILA lost more than 2 poor sentiment caused by details of new measures to On the day, banking per cent. The composite the plunge in Hong Kong. index fell 32.17 to 1,448.72, the lowest level since Febru-

FTSE Actuaries Share Indices

it would distribute cash back Property group Ayala to shareholders, lost ground Land closed unchanged at on profit-taking. The shares 9.50 pesos after falling 5.3 closed 60 cents to S\$12.30. Newly listed Enersave Holdings was the most

active issue of the day, retreating 9 cents to \$\$0.49. KUALA LUMPUR ended SINGAPORE was down in off 10.73 or 2.9 per cent at tandem with other markets 364.05 after touching a nine-

The market was lifted in late trading by the Comments by OUB presi- announcement of a news cunference by Anwar Ibrahim, the deputy prime minister. The conference gave aid financially strapped com-

August 07 August & Reposi	Ecu	Day s	(charge	tield	ed edi	Tet
Harlets	Index	-	points	prose 5	ytt	4
FTSE Eurotop 300 FTSE Eurotop 100	1217 49 2792.67	+1.57	+18.80 +45.69	2.36 2.36	19.69	12 99
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K	1009.64	+1 68	IN LUCCOS	4.00	23 52	11
urape Ex-Eurobiac	1156.90 1290 47	-160	V48-20	2.71	14 95	110
kurape Ex-UK 1755 Eurolog Industry Ge		+1.51	+19.75	207	17.83	13
				2.51		
ESOURCES	885 55	+3.47	+29 66	3.73	20.25	91
coractive industries al. Integrated	772 91 852.89	+1 11 +2 59	120.00	3.23	040 1344	27
M. Exploration & Prod	819 24	+2 37	· 18 99	295	0.00	81
EPERAL REUSTRES	1164.56	+1.60	• 18 33	5 50	18.32	11
probaction	944 55	+2 19	430.55	271	11.06	85
Wing Male & Misses	968 4.)	+1.97	+ 18 £7	2.74	7 65	97
Provincesia Secretaria de l'accessoriation	933 81 962 49	+0.68 +0.35	+6.31 +1.60	3 00 2.25	15.96 18.20	95 97
lecturate & Elect Equip	1026.57	+2.79	+22.94	177	157	16
agatering	963.58	e 1 51	+17.52	3 35	B 46	84
aper. Poly & Posting	857 92	-0.25	-2.18	274	121	85
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utomobiles Icohok: Bevernaes	1038 18 962 65	+2 33 +1 23	74 73	2 39 2 27	10.25	109
not Protects	962 63 955.08	+0.29	+11 66 +1 87	166	5 A2 9 13	90
hundrald Gords & Texts	1075.72	+202	+29.77	1 72	7.01	110
gathcare	945.51	+7.58	+0G.50	6 77	9.57	95
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resides. Public A Reco	885 64	+1.98	+17.17	3.21	14.20	80
opport Services	954.88	41.11	+10.62	1.44	5.66	97
ransport Vorcetton Tachnology	1048.16 1235.18	+1.49	+15.41 +16.05	0.30	10.96 2.23	105 125
TILITIES	1369.74	+1.30	+17.63	3.25	53.32	144
lectricity	1021.35	+1.59	+16.03	3.46	26.23	104
as Distribution	1100.14	+0.89	+10.03	1.68	54 81	120
inter	1061,45	+0.58	+8.12	4.82	38.72	110
HARCIALS	1298.35	+1.22	+18.16	2.40	21.51	143
seks, Petal	996.36	+1.36	+13.32	3.01	8.33	100
ELETTICO	1000.50	+0.92	+9.69	124	8.87	107
He insurance liber Financial	1122.45 975.73	+3.15 -0.30	+34,31 -2,90	1.86 2.08	5.38 13.23	112 96
ntat Printere Historia Companies	970.73	+0.35	+2.46	2.62	20.68	100
roperty	741.50	+2.19	+15.68	3.60	16.01	75

Upbeat day cuts Dax losses

With Wall Street driven higher in early trading by benign employment data, FRANKFURT made a storming finish to lift the Xetra Dax index to 5,598.32, its high for the session and a gain of 70.20. The performance pared the week's loss to 4.5 per cent.

Market heavyweight Daimler-Benz jumped DM7.10 or 4.5 per cent to DM180.50 in heavy turnover following an upbeat trading Retailers stayed in

demand, rising DM34.50 to DMB19.50. Selected financials were picked by the buyers. Dresdner. Bank added DM2.30 to DM102.40. PARIS pushed higher, with the CAC 40 index

adding 73.29 at 4,041.88 by the close of a low-volume ST Microelectronics rose

FFr26,20 or 7.3 per cent to FFr388,20, Alcatel FFr80 to FFr1.216 and Accor, buoyed by positive occupancy news and a denial from the hotels leader that it had no plans for a UK acquisition, FF190 Oils stayed under a cloud at first sight of disappointing

Unilever sank to F1 126.30 with Total off FFr1 at FFr625 interim figures, but recovafter -a -low of FFr61A, ered later in the session to

FFr1 off LVMH, which ended Aegon gained F1 7.90 to recently left to join competiat FFr1,111. Sturdy sales F1 186.20. hoisted Pernod-Ricard ZURICI ZURICH closed higher as

recent weakness. The SMJ AMSTERDAM rallied with index rose 107.3 or 1.4 per cent to 7.953.5, buoved by rallies in index heavy-Drugs group Roche gained SFr390 to SFr15.830 while

Nestle added SFr26 to SFr3,042, providing support to the overall market. Novartis gained SFr29 to SFr2,457. Tag Heuer, the watch

maker, rose SFr10 or more than 8 per cent to SFr132 on speculation that the Swatch Group could come up with a bid. Swatch gained SFr17 to MADRID gained ground led by blue chips, and the

general index rose 8.54 or nearly 1 per cent to 892.40. Telefónica, the most active issue of the day, rose Pta200 to Pta7.400, while Endesa added Pta50 to Pta3.215. Argentaria added Pta150 to Pta3,520 and Santander

gained Pta20 to Pta4,075. Telepizza fell Pta25 or 22.3 per cent to Pta1,190. Traders said the shares were depressed by portfolio adjustments by an international investment fund. Reports that some Tele-

tor TeleChef also weighed on the rise on Wall Street and

declines. Manila Electric B

the Mibtel index rose 397 or 1.3 per cent to 2.3825. Eni, the most active issue of the day, gained L244 to L10.830, followed by Olivetti. which rose L14 to L3.915 on profit-taking as the share

Compart, a holding com pany, was L95 higher at 1,676 on hopes that, as a close ally of Mediobanca, it would gain from the restructuring of

Fiat rose L33 to L7.019, recovering from the day's losses caused by news that its July new car registrations fell 7.34 per cent. A 5 per cent jump in Nokis lifted BELSINKI, and the

Hex index closed up 138.34 or 2.8 per cent to 5,121.29. A recovery in US technol heavyweight Nokia up FM21.50 to FM454. Telephone Puhelin gained FM1 to FM53 its stake in the group.

Written and edited by Jeffrey Brown, Emiko Terazono and

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Details, retire to those securities not included in the PT Share beforegation Services, the prices are those at which the bealmess was done in the 24 hours up to 5.15pm on Thereday, they are not in order of execution had in securiting order which denotes the day's highest and levees tractes. For those securities in which no besiness was recorded in Thereday's Official Liet, the labout recorded business in the four previous day's is given with the relevant data. The size of individual deals are recorded to tax nearest decosion and represented within parantibesses, where available, # Burguins at special prices. * Burguins done the previous day.

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IN Treasury Strip 07Jun2015Cpn 36.969596 (054089)
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Cydeport Operations Ltd 5% Ind 5% - 47

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Network 10 - 47

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Port of Lendon Authority Port of London

3 % Six 48/99 - 97 ((23/4489) Foreign Stocks, Bonds etc- Coupons payable in

etc- Coupons payable.in

London

BAN FLC 4,875% Criv Bes 29,00004 2 (Var)
(B1) - E1,17149 (ISAMS)

BAN FLC 4,875% Criv Bes 2008 - 128%
(ISAMS) - (ISAMS) - (ISAMS) - (ISAMS) - (ISAMS) - (ISAMS)

BAN FLC 4,875% Criv Bes 2004 2 (Var)
(ISAMS)

BAN FLC 4,875% Criv Bes 2004 2 (Var)
(ISAMS)

BOC Group FLC 74% No. 2002 2 (Var) (B1)
- 100.35 (SOLY89) - (SOLY8)

British Airways FLC 104% Bes 15,9908 6
(Var) (B1) - 120 (SAMS6)

British Airways FLC 104% Bes 2007 2
(Var) (B1) - 121,003485 (ISAMS6)

British Recommunications FLC 74% Bes
280320 (B1) - 126,30073125 (SOLY89)

Cable & Windows Communications FLC
- 7,125% Bits 2005 2 (Var) (B1) - 100%
(SOLY89)

Command Group FLC 5,75% Criv Bes 2007

Chief British - 12,103486

Command Group FLC 5,75% Criv Bes 2007

Chief British - 12,103486

Command Group FLC 5,75% Criv Bes 2007

Chief British - 12,103486

Command Group FLC 5,75% Criv Bes 2007

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Command Group FLC 5,75% Criv Bes 2007

Chief British - 12,103486

Command Group FLC 5,75% Criv Bes 2007

7.1297. Bids 2005 £ (Var) (8t) - 1007s
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(201)489 Nedonal Wagmanster Bank PLC 11*46 Und Sub Na C1000 (City to Pri) - 149.95 (DIAUSO) Sub New E Todou (2014 Mar.)

Northern Securic Pinance PLC 8.825% (3td Std Std Str) (3td - 109.4 (3td) 498 (3td - 100.4 (3td) 498 (3td) 4 Threath Finance (Jersey) PLC SVII. Cav Cop.

Side Oxford (Hag) - 100% (Oxford)
Weigh Vegas (Millian Finance PLC FVII. Gld
Bds 173004 £ (Mr.) (Bd) - 101.5 (RD)/46)
Vorinhies Beckeloly Group PLC SVII. Bds
1730100 £ (Vey) - 123.607440000
(S01)469)
Vorinhies Herbert PLC 84% Ged Bds 2010 £
(Very) (Br) - 102% (S01)460] Debt Issuance

Programmes Recibert & Bingley Building Society Colf Flag Rile Niss 02/2003 £ (Reg) - £99% (05/ks86) Indian: P.C. & 577% No. 03/04/09 - 100.69 (05/ks86)

Sterling Issues by Overseas Borrowers St. 2011/2014 (Pag) - 138.8484375 7 (Subject) (Investment Beak 9% Ln Six 2001 (Pag) - 105% (DSAUSO) % (DSAUSO) Bucconen Investment Beak 10% Ln Six 2001 (Pag) - 120 (SAUSO) Bucconen Investment Beak 10% Ln Six 2008 (Pag) - 14% (DAAUS) 5.1 (ISA)935 .1 (ISA)935

(15.1/98) European Investment Berli 01/6 Ln Gil: 2008 - 1281: (044.65) Hydro-Custice 1247: Ln 88: 2015 -163.28125 (20.1/98) 1996) 1906 149% La Sik 2006 -

100,201.20 (201,000) 196 (200,000) 197 (200, Listed Companies fexcluding Investment Trusts)

ITUSIS)
Abbay National PLC: 109/th Non-Cum Stig PM
Stid E1 - 165% (258.465) 6% (258.465)
Abbay National PLC Fifth Non-Cum Stig PM
C1 - 129% (258.465) 325 (258.465) 90
(258.465) 1.25 (258.465)
(258.465) 1.25 (258.465)
Abbad (258.465) PLC Fifth Cum Pd - 168

Abbot Gousp PLC 74%. Cnv Pd - 168
(USAs59)
Adacene Graup PLC 75%. (Net) Ser 2*Cnv
Pd Star 2 - 111 (211/98)
Aggregate Industries PLC 7250 (Net) Gov
Curt Pad Pd 250 - 165 (USAs56)
Alexan Group PLC 8,250 (Net) Cnv Curt Pad
Pd 100 - 90 (SAs466)
Allecto Domeou Flanceis Serva PLC 6*65. Gad
Cnv Sub Bdc 777/08 2*1000 (Pag) - 102
(USAs56)
Allecto Domeou Flanceis (05Ausis) Blad Domaco; Financial Servs PLC 69/14 Gid City Sub 9ds 7/7/08 E (Var) (Br) -E1.015437 (03Au98) Affed Democt PLC ADE (1:1) - 8.9 (05Au98)

9.03 (05Au96) Allied Domecu PLC 516% Cum Pd £1 - 93 1903 PLC 74% Com Pri E1 - 110 (81.Jy98) · Abie PLC 5.5% Cav Cure Non-Vig Red Pri 21 Abile PIC 5.5% CBM CBM PROPERTY STATES (CAMBRE)
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118 (044466)
BAA PLC ADR (1:1) - 11.35 (054468)
Balley (C.H.) PLC Ord 10p - 81 (054468) Balley (C.H.) PLC Ord 10p - 81 (054468) Balley (C.H.) PLC Ord 50p -Baldeline Industrial Services PLC Ord 50p130 (0)
Bandinge Bank PLC BZW FTSE Linkd Tinde
Protected Cap Units - p07:93 (50.)4691
Bandinge Bank PLC 125 Une Cap Lin Sik
2010 - 144 (054.006)
Bandinge Bank PLC 126 Units Cap Lin Sik
201207 - 131 % (054.006)
Bandinge Global law Baddard Fel II Let Ord Red
Six 1p - 105 (054.006)
Bandinge Global law Endownhant Fel Let Flad
Ord 1p - 165 (054.006)
Bandinge PLC BADR (41) - 110.5 (054.006)
Bass PLC 12 Sins 670 - 90 (1, 2, 1, 5, 37,
129 (05.106)
Bass PLC 19 Sins 670 - 90 (1, 2, 1, 5, 37,
129 (05.106)

(05Au68) Bean PLC ADR (1:1) - 18 (05Au66) Bans PLC 104ct Tool Sta 2016 - 1444 (22Jy96) 5 (05Au68) % (02Au28)

BA-1 accesses #10 AMP (C1) - 41-37 B.
7) .5 (15) .8543 (7)
80 PLC 97 She 509 - 28 (0, 1, 0, 1, 0, 2, 8, 0, 1, 0, 1, 0, 1, 0, 1, 0) e 855A4869 8 80BA4869
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(05Au59)
Boots Co PLC ADR (pt.) - 38 (05Au69)
Boots Co PLC ADR (pt.) - 38 (05Au69)
Bitumerouth & West (exceptive Water PLC
&5% Cun Into Prof t) - 140 to (05Au69) to
(05Au69) & (05Au69) & (05Au69) & (05Au69) & (05Au69)
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(05Au69) & (05Au69) O (05Au69)
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Brail tolerantional PLC 975 Cum Red Pd (01120% pc.)469)

Breat basestribuse PLC 976 Cum Pleat Pri 1:1279 (CLU) 980 (Pri 1:1-1401); (DISAMBI) 9 (CLSAMBI) 1 (CLSAMBII) 1 (CLSAMBI) 1 (CL

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- 132 (D) 5% (1) Brian Say Basadeawing Group PLC ADR (RT)- 41 DSSS (DSAU89) Srifan Saed PLC ADR (1071)- 20 (10) 25 (DSAu89) J7181923 (DSAu89) J7182105 (DSAu89) J7181923 (DSAu89) J7182105 (DSAu89) J718225 (DSAu89) J718210

(C4Au65) http://bugsr.1074% Ped Deb Set 2013 - 141% (S0Ay86) http://bugsr.1074% Ped Deb Set 2013 - 141% (S0Ay86) http://bugsr.1074% Ped Public 1013 - 141% COL)46] Prigh Telecomounications PLC ADR (10:1) = 130:8975 (3) 1 (5) 3.75 (DEASOR) 4.375 (OSALAGO, E.75 ECALAGO) 6 (OSALAGO) Belaton Estata PLC 10/16: 1st hits Deo Sist 2012 - 138.28 his (S1)496 Brogotomatis PLC Wis to Sub for Ord - 32

Prosciousis PLC Wis to Sub for Ord - 32 (31,1/83) Brunel Holdings PLC 4 Sp. Rhill Care Cum Hard Pd 20p - 55 (04,44m) STR PLC ARD 3<11 - 10.35 (05,4469) STR PLC Non-Cum Red Pd Sta 36-5p - 35 (05,4469) 3 (05,4469) 3 (05,4469) 3 (05,4469) 3 (05,4469) 3 (05,4469) 3 (05,4469) 3 (05,4469) 3 (05,4469) 3 (05,4469) 3 (05,4469) 3 (05,4469) 3 (05,4469) 3 (05,4469) 3 (05,4469) 3 (05,4469) 3 (05,4469) 3 (05,4469) 3

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Surridone investments PLC 15% Urs Ln St.
200772 - 120 (NA4665)
Cable & Wasless Communications PLC ADR
6-13 - 422-55, 40, 7-6 (9.3 (10) 4.69) 0825
(15, 30) -25 (10, 20, 10, 20) .375 (10, 20)
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.5312 (NSA169) .75 (NSA169) .75 (NSA169)
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76 (05Au86), 75 (05Au86) 5 (10, 5), 125 (05Au86)
Carbury Schwapper PLC ADR (4.1) - 64.125 (05Au86), 5856 (05Au86), 5855 (05Au86), 5855 (05Au86), 5855 (05Au86), 5855 (05Au86), 5855 (05Au86), 5856 (05Au86), 5856 (05Au86), 5846 (05Au8 Casifon Communications P.C.S.50 (Net) Case
One Pri - 134 (Education & Education 5 cm)
Cup P.C.S.405 (Case Ind Pri 21 - 150)
(ISAUSE) * (ISAUSE) * (ISAUSE) *

- 13 (311)/66)
Chatentren & Glounster PLC 11945 Perp But 90s \$50000 - 173 (05A-60)
Chaten Bulling Screek Pitg The Perm Int Bearing Stre - 112 (04A-60)
City See Session PLC 10.50% fol Jing Date See 2017 - 1129/ 211/969)
City Sto Ealstee PLC 7% One Uns Ln Ste 2000/01 - 100 (02A-60) V (00A-00)
Coats Patrins Ld 476 Une Ln Ste 2002/07 -100 (05A-00) 88 (05AL96) Costs Patons Ld (FM): Une Ln 8th 2002/07 -

Cases Patone Ld 64th Une Ln 88, 2008/07 - 88 to (0.44.08)
Dotto Vhyelle PLC 4.9th Curn Pri E1 - 87
(0.24.08) 97 (0.54.08)
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(064) 4 (000.500, 10. 200, 10.0) 6 (75. 80)
8 (9) 6 (9, 100.1, 10.1, 20.7, 2054.08) 7 (0.54.08) 12 (200, 10.9) 97 (50.75) 6 (50.75)

Cohen (A.) a Go Tour (DAMSS) Cookson Group PLC 7% Cow 8ds 2/1/2004 (Figs - 101 (05/ke96) o-Operative Bank PLC #28% Non-Gum Ind Pri S1 - 1819 (OKALIRE) a-Operation Witolessie Society Ld 7974 fail

Cum Red Peri She 5p - 95 (044.08) Covertry Building Society 12*5 Perm Int Bearing She \$1000 (Reg) - 177 (054.08) (054.08)

(ISAME)

City Insertance Holdings PLC New Ord Exp
(IFH/ML - PUDBAR) - 447 (4) 32 (7)

Creation Land & Estation PLC 6% City Una Ln

SR - R0 (COM-MI)

Disby Mar A - Insertant PLC 0% Sign 2000

Disby Mar A - Insertant PLC 74% Una Ln 85

2002

Disby Mar A - Insertant PLC 74% Una Ln 85

2002

Disby Mar A - Insertant PLC 74% Una Ln 85

2002

Disby Mar A - Insertant PLC 10% 1 at Mig Disb

SR 2013 - 137.7 (S1)-969

Destinate Group PLC 9.75% Dum Pri S1

1399 (04469)

Developed Group P.C. 9.75% Cum Pri 61 (139% (Odustri))
Diagoe P.C. ADR (4:1) - 45.748475 (D5Au88)
1875 (1) 1 (EDAu88) 155 (7) 15 (M1Au88)
Diagon Of P.C. Was to Sub or Ord IEPO.25 - 14 (Odustri)
Easthoume Water Co 11.20% Red Date Sit 200509 - 127% (S14,965)
Exclassical Insurance Office P.C. 8.855%
Mem Gurs Ind Pri E1 - 128-40 (EDAu88)
Edustria Block P.C. Red Pri Sha Sp - 102% (S0Ay86)
Editors Block P.C. Red Pri Sha Sp - 102% (S0Ay86)
Editors Block P.C. Chry Pri Sha Sp - 102% (S0Ay86) (20.496) Edipse Blinds PLC Cav Pri She Sp - 124 (20.496) Edupor Bartor PLC Cert PT 3 ora up - Lev. (80.9/69) Escert Group PLC Cert Stp - 1925 (05Au86) SC.0554/69) 75 (05Au56) 90 (05Au86) SI Cro Mining & Exploration Co PLC 10p -310 8 (30.9/69) STeippriss OF PLC 10P-5; Una La Sis 2013 -139 (05Au56) 4 (05Au56)

Companies of Action (Company LG Zero Dr. Peet St. 19 - 125% (SUL) (SS) Exploration Co. PLC Ord St. 59 - 310 (MS). 113 (31Jy98) First Choice Holkings PLC New Ord 3p

(TP/PAL - 24/08/96) - 147 (8) 2 (7) inst National Building Society Fits Rate P Lot Bearing Shs - 296 (31Jy96) Police Group PLC Ord 5p - 67 (05Au98) Fortuum & Mason PLC 7% Cura Pri Sik £1 -ILE II (CUANDI) Hendry Hotale PLC 5% Chy Qura Rad Pri ST - 100 (04Au68) iendly Hotels PLC 7% Cav Curs Red Pri El - 95 (02Au98) Fall Circle Industries PLC Ord 1p - 2 (10)

Fig. 100)

Galany Madin Corp PLC War to Sub for Ord30 (MAUSE)

Galany Madin Corp PLC War to Sub for Ord30 (MAUSE)

GROUP PLC ADR (4:1) - 24.7 (50)

995 (14) ".899 (MAUSE) 5 (MAUSE) .0825

(54) .0825 (D5AUSE) .157 (MAUSE) 6

(SULVER) (30Jy96) Game PLC Ord 1p - 180 (2, 8, 1) 1*(2) 2*((0) 3 (1) Gested Income Securities Ltd Zero Div Got Pri 9.071) - 100 (25-148) General Accident PLC Ord 25p - p867 (20-)ee; General Accident PLC 745, Cure Ind Pri S1 -

General Accident PLC 7%, Cure Ind Pri E1 - 141% (SALASI) 2 (DSALASI) 2 (DSALASI) 2 (DSALASI) 2 (DSALASI) 3 (DSALASI) 3 (DSALASI) 4 (DSALASI) 5 (DSALASI) 5 (DSALASI) 5 (DSALASI) 5 (DSALASI) 6 (DSALASI) 7 (DSALAS

\$ (10) 5825 (4) 728 (2, 22) 75 (0) 85 (20) 36 (25) 472 (10) 4874 (10) 1 (12) 1

18243 (29) 28 (Calvain) Jun's (Calvain)
388 (CS-128)
Granade Group PLC 10% 154 king Deb St.
182715 - 11% (CS-128)
Green Portland Estates PLC 7-25% 154 king
Deb St. 2275 - 11% (Publish)
Green Portland Estates PLC 9-2% 158 king
Deb St. 2015 - 13% (CS-128)
Greenelle Group PLC 72 Core Subord Beis
2000 E1 (Paged - 11% (CS-128)
Greenelle Group PLC 72 Core Subord Beis
2000 E1 (Paged - 11% (CS-128)
Greenelle Group PLC 97% Core M1 £1 - 128
(CS-128)
Greenelle Group PLC 97% Core M1 £1 - 128
(CS-128)
Greenelle Group PLC 97% Core M1 £1 - 128
(CS-128)
Greenelle Group PLC 97% Core M1 £1 - 128
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Greenelle Group PLC 97% Core M1 £1 - 128
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ZHINGCA GROUP PLC ADR (1.1) - 37 5625

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Throgmotton Trust PLC 12-4-1 Deb Six 2010

- 145-1 (04Au69)

Throgmonton Thirst PLC 12%, Deb Six 2010 - 1-55; (MAuf86) .

- 1-55; (MAuf86) .

Li Six 2005 - 165 (MSAuB8) .

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£1000 (Flogd) - 142 (MSAuB8) .

Wisn law Co PLC 5%; Deb Six 2016 - 124%; (MSAuB8) . Alternative Investment

Market

MG/Ret
Adval Group PLC Ord 1p - 50 (ICAA98)
Anglo Steelan Cd Company PLC Ord 25p - 105 (30Jy68)
Cly Gourneth Hidgs PLC Ord 1p - 53 (30Jy68)
Heavitine Bitmeny PLC 'Alian Vig Ord 5p - 265 (04A98)
Policy Mactin Citicup PLC Ord 1p - 202 (05A98)
Springtoard Variatine Managers PLC Ord 10p - 146 (05A98)
Wymschay Properties PLC Ord 25p - 150 (04A98)
Wymschay Properties PLC Ord 25p - 150 (04A98)

NEWS DIGEST

SPORTSWEAR

Man United director to float vehicle on Aim

Michael Edelson, the Manchester United director who brought Sheffield United and Leicester City football clubs to the stock market through reverse takeovers, is floating another new company as an investment vehicle. The Witnslow Group, which owns the G2 and Quaser sportswear brands, will be floated on Aim on Monday.

Mr Edelson, Wilmstow's chairman, will be responsible for Identifying and assessing target companies for the group. He said yesterday: "While I believe there is growth to be achieved in our core business, I am hopeful that other opportunities will present themselves in a variety of sectors for Wilmslow to exploit."

Mr Edelson led the reverse takeover last year of Conrad, the sportswear group, by Sheffield United, and in March this year, he floated the Hartford Group as an investment vehicle. He is in talks to take over the Pharmacy restaurant, part-owned by Damien Hirst, the artist, through Hart-

Wilmslow's shares will be priced at 2p each in a placing of 32 per cent of the shares, valuing the group at £2m (\$3.3m). Wilmslow's four directors will own between them 17.4 per cent of the enlarged capital. Shella Jones

PROPERTY

Berkeley to buy Thiristone

Berkeley Group, the housebuilding and property business, is to buy The Thiristone Group, which specialises in building luxury homes and apartments predominantly in Surrey. The deal values the equity of Thiristone at £15m, and is to be funded by £4m cash with the balance covered by the issue of 1.87m shares. In addition, £10m of debt is being repaid and refinanced by Berkeley.

Thiristone is owned and managed by Tony Pidgley, who will join the Berkeley board and become managing director of the group's Home Counties subsidiary, Berkeley Homes. He is the son of Berkeley's managing director and co-founder, also named Tony Pidgley.

In the year to April 30, Thiristone sold 48 units at an average price of £440,000 and made an operating profit of \$2.7m on turnover of \$21.1m.

As at April 30 1998, it had a total book capital base of £13.1m comprising book net assets of £3m, private foun oapital of £7.9m and bank debt of £2.2m. Michalin Raymolch

Charge pushes Ward into red

A £12.5m exceptional charge pushed Ward Holdings, the Kent-based housebuilder, to a lose of £11.5m for the six months to April 30.

Dennis Ward, chairman, said that the charge for the car rying cost of land and work in progress followed "a detailed assessment of their trading potential. Excluding the exceptional, profits were £989,000 (£2.02m) on turnover of £12.7m (£15.3m).

Ward's shares closed down 12p at 431/2p.

M BRIEF

BRITISH BORNEO has acquired interests offshore Mauritenia in West Africa alongaide Australia's Woodside Petro-

FIELD GROUP has bought Drukkerij Van Os, the Dutch pharmaceutical booklets and leaflets supplier, for Ft 12m (£3.7m) cash. GANDER HOLDINGS, the property investment company,

has acquired five freehold properties with planning permission in London, SW5, for £9.25m from Gladheath. The company proposes to create 45 serviced apartments on

GRAFTON GROUP'S subsidiary, British Dredging, has sold its 50 per cent joint venture interest in British Dredg ing Aggregates to RMC, the other partner, for £4.05m cash. The proceeds will be used by Grafton to refinance benk facilities

HAZLEWOOD FOODS has completed its withdrawal from Jam manufacture with the sale of its preserves business. Samuel Moore Foods, to F Duerr & Sons. The transaction Involves the disposal of about £1.4m of net assets.

ILP GROUP has terminated the bid discussions resumed

SUDIAR'S bid to buy computer company Radius has been accepted by shareholders holding 37 per cent of issued capital. The offer has been further extended to August 20.

Allders shares drop on warning

By Peggy Hollinger

Allders, the department store group, is considering returning up to £12m (\$20m) to shareholders through a share buy-back after a surprise profits warning yesterday knocked 27 per cent off its market value.

In a statement reflecting the general malaise which appears to have beset the UK retail sector, Harvey Lipsith, Allders chief executive, said profits would be up to £4m below the market's expectations of £23m this

The warning comes just two months after the group assured the market that trading was in line with expectations. But Mr Lipsith said that from the beginning of June, a week after the interim results, trading had gone into reverse.

He blamed the cumulative effects of higher interest rates for causing Allders to go from a 5 per cent comp rable sales increase in the first seven weeks of the second half, to a half percentage point decline in the past two months.

"It is now clear that six ncreases in interest rates have taken their toll of consumer confidence," he said. The downturn was most acute in the big ticket sectors such as televisions. audio and furniture.

The shares dropped 50%p to 139p. Mr Lipsith said at this level he believed the shares "looked to be a good investment" and the board was considering its options. It is possible Allders could launch a buy-back in the next six to eight weeks. before it enters its closed period.

Analysts were not surprised by naws of a sharp downturn in durables sales. Weekly statistics from John Lewis, the rival department store group, showed signifideclines in sales of audio and televisions from the middle of June.

But the scale of profit decline was unexpected. "Our concern is that there is more to this than merely a downturn in electricals," said it raised questions following said one analyst. Another about Allders' strategy of developing home furniture and furnishing stores, at a time when the market was becoming more competitive and possibly slowing down.

Mr Lipsith said the slowdown during the peak sale period accounted for more than 21.2m in missed profit. In addition, the difficult trading environment had added £1.2m in losses and costs at the At Home stores. Revised expectations for a flat close to the year accounted for a further

ELECTRONIC AND ELECTRICAL EQUIPMENT DISPOSAL OF POISON PILL 'MAKES GROUP LOOK VULNERABLE' Costly sale leaves Racal in the red

£207.2m into the red last year after £233.9m of provisions and goodwill write-offs for shedding its lossmaking data communications arm. The deficit compared with

Racal Electronics plunged

profits of £40.4m previously. The group said it had obtained less money than it had hoped from the sale to Platinum Equity Holdings. the California-based venture capital group. Racal will receive \$12.5m

(£7.5m) in cash when the deal is completed next month with up to \$35m payable in royalties over the next 10 years. Analysts said the division

had been acting as a "poison pill" to prevent takeover bids. Now the sale was arranged, the group looked

vulnerable. "This should be ferred option "at the right a turning point," said one. "It should place increased focus on the value of the remaining assets."

Sir Ernest Harrison, chairman, said the security and payments operation of the data communications business would be kept. "When we came to the final bid there was not one offer which we considered to represent real value for share holders," he said. The security and payments business - which made £9.9m before interest and tax would be developed within

The plan to sell data comauthications was unnounced last December as Racal said it planned to float its telecommunications business. Yesterday, Sir Ernest said a flotation was still the pre-

Mr Zerny said: "Having

got well down the pro-

gramme, there's now a

smaller capital cost per shop

US Rental business in Febru-

ary for £16.9m was followed

by the acquisition of Con-

eacht Court this month for

£24.2m casb. It has retained

its US dry-cleaning business.

est textile rental company.

Connacht is Ireland's larg-

The group's disposal of its

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Racal

time". However, the group had had problems finding the right person to lead the associated Tro-custs

Group turnover for the year to March 31 fell from £1.2bn to £1.1bn. Operating profit dropped to £42m (582.6m) after reorgan costs of £14.7m (£3.3m) and a 258m loss from the discontinund operations. Losses per share were 77.27p, against earnings of 11.3p. The shares fell

operations rose 11 per cent to 1920.7m while operating profit was 8.6 per cent higher at £115.6m. Operating profit in the

ications division fell to £38.3m (£43.7m) on turnover up 4 per cent at 5270.7m - excluding reorganRecei Sectronics Share price relative to the FTSE AS-Share lader

Aug. 26 -

isation costs of £2.5m. A 38 per cent increase in revenue from the commercial, internet and international carrier markets had been largely offset by falling revenue from the National Lottery and David Elsbury, chief executive, said the National Lottery market was now mature and Racal was no longer benefiting from machine

The radar and avionica business saw sales ries 7.3 per cent to £226.1m. with operating profit of £23.3m (£24,3m) after reorganisation costs of £1.1m. The radio communication business lost 13.9m. against a £3.2m: loss, on turnover down from £140.8m to £134m. The profit figure excluded reorganisation costs of £4m.

The industrial electronics business saw operating profits rise 65 per cent to £39.7m on turnover of £289.9m (2219.6m), excluding \$2.1m of reorganisation costs.

Analysis are forecasting pre-tex profits for the year to. March 31 1999 of \$35m-05m.

Rebranding buffs up Johnson

Johnson Service Group, the dry-cleaning and textile rental business, said a rebranding programme was paying off earlier than expected, as it announced interim pre-tax profits up 29 per cent.

They rose from £8.61m to Ellim for the 26 weeks to June 27 - excluding excep tional charges, the rise was 17.7 per cent. Turnover on continuing operations was up 4.9 per cent to £92.4m.

Richard Zerny, chief executive, said: "Despite what's happening to Sketchley which sold its lossmaking dry-cleaning business for just £1.23m last month, it shows it's possible to make a profit from a national dry Johnson's UK dry-cleaning

business is now cash-genera tive for the first since 1996, when the rebranding started. year ahead of schedule. The group now has 400 newly-designed outlets, with a further 180 awaiting rebranding.

Michael Sutton, finance director, said the textile business in the US was "small and needed a disproportionate amount of capital investment to make it competitive with local players". An interim dividend of

3.39, up 10 per cent, is payable from earnings per share of 14.5p (10.2p). The shares advanced 7%n to 295p.

Robert Morton, analyst with Charterhouse Tilney, said full year pre-tax forecasts of £22.3m had been upgraded to 223m (£17.5m), putting the shares on a forward multiple of



Filtronic shares leap Nokia deal

Shares in Filtronic rose more than 20 per cent yesterday after the telecommunica tions components company announced a deal strengthening its relationship with Nokia, the Finnish mobile elephone group. Filtronic - which speci-

alizes in microwave technology used in mobile phone base stations - is buying LK-Products from Nokia for FM350m (£40m).

It will also issue 4m new shares to Nokia, giving the Finnish group a 7.5 per cent stake. Filtronic shares rose 98%p to 568%p yesterday.

LK's main products - filers and antennas for mobile phone handsets - are not part of Filtronic's core business. However, the acquisition was a necessary part of a deal to increase significantly the amount of business between the two compa nies. Filtronic said.

Professor David Rhodes, Filtronic's executive chairman, said talks between the two groups had been progessing for six months. "We are going to have a

lot of business with Nokia. We discussed it with them and decided that if we acquired one of their companies it would provide the ideal vehicle to support them directly," he said.

Prof Rhodes said the deal neant that Nokia would become Filtronic's biggest single customer. The group has been steadily reducing its reliance on one big customer – Motorola – by building up trade with other tele-The shares rose 20 to 3520

phony groups. acquisition announced this week by Filtronic and the fifth since the start of the year. On Monday it strengthened its technology base with the \$43m (£28m) acquisition of Litton Solid State, a US high-grade semiconduc-

tor company.
The LK acquisition will be funded by a US high-yield bond issue and the group is considering a share issue of no more than 10 per cent of its equity.

Last year LK reported pretax profits of FM106.1m on turnover of FM451.3m which Filtronic said was abnormally high and was not expected to continue at

Alliance & Leicester shows mortgage growth ing cash to shareholders is and the division cut its cost-

former building society which floated on the stock market last year, yesterday surprised investors with a 29 per cent rise in first-half pretax profits to 2229.8m. The better-than-expected

outcome still represented an increase of 12 per cent on the previous year if 1997's conversion costs of £28m were excluded. Peter White, chief execu-

tive, said A&L had made progress in mortgages, personal hanking and commer cial banking, and looked forward to 18 months of organic growth.

"If we have a recession we have got a fair amount of cash for buying up some of these lame things out there," he said, while denying that be was working on a merger with rival Woolwich. "It's logical but not true."

Mr White made clear he had did not intend to launch a share buy-back. "Return-

not out of the question but it income ratio to 40 per cent, isn't a route I see myself tak- excluding Year 2000 costs. Alliance & Leicester, the ing it would seem to be a bit. Mr White said he had set a the merger "has been sup-

A&L's capital base £1.7hm is £720m more than it would need to maintain a conservative Tier 1 capital adequacy ratio of 8 per cent. By the bank's own calculations, this excess depressed return on capital in the first half by 10 percentage points to 185 per cent.

Unlike the other former building societies Which joined it on the stock market ast year, A&L succeeded in holding on to market share in its core mortgage busi-

Gross mortgage lending of £1.79bn in the first half to June 30, compled with low redemptions, left the bank with a 5.5 per cent share of net new lending, compared with its historic share of 4 per cent. Net margins in the mort-

gage business fell onlyslightly from 1.89 per cent a.

target of 35 per cent for next year: "If I say I'm going to do reason if I don't."

The interim dividend rises 25 per cent to 8p, on earnings of 27.3p, up from 19.4p. or 23.9p after stripping out conversion costs.

Comment

• The figures are slightly flattered by a commercial debt recovery, but also reflect real progress on costs. Thanks to the Girobank acquisition, A&L shows some of the diversification of earnings achieved by Abbey National. Unlike Abbey or Halifax, however, it has managed to hold its ground in its core mortgage market. With forecasts upped to £461m (£395m) for the full year, yesterday's 19p rise to 868p leaves the shares close to 16 times 1998 earnings, with only limited

Mayflower confirms talks with **Dennis**

Mayflower, the car and bus bodies maker which launched an unsuccessful bid for Vickers last year. confirmed yesterday it has been in talks with Dennis Group, the bus chassis manofectorer.

It said the talks began on July 31, the day after Dennis announced an agreed takeover by Henlys, another bus bodies maker.

Mayflower said-it would be prepared to launch a possible cash offer for Dennis at 450p a share. "We are very keen to achieve a recommen-

Under the earlier deal, Henlys would take over the malier Dennis group, offering shareholders 64 new Henlys shares for every 100. Henlys' shares closed down 61p at 529p yesterday. At this price its offer stands at about 340p – 24 per cent less

than Mayllower's proposal. Dennis said it had noted Mayflower's announcement and that it would consider the proposals. Dennis closed at 456p, up 62p,; Mayflower's shares lost 2p to 195p. Henlys said there was

compelling strategic logic to form an integrated bus maker with Dennis and that Henlys shareholders and major institutions in presentations over the past four or ñve days".

However, Will Mackie, an analyst at Credit Lyonnals Securities Europe, said that Mayflower's manufacturing skills would "provide greater synergies than the merger of Dennis and Henlys".

Sandy Morris, an analyst with ABN Amro, said: "The Henlys-Dennis merger would have created a very powerful competitor [for Mayflower] and hitherto Mayflower and Henlys have been almost direct competitors slugging it out between them."

Mr Mackie said: "It looks to me like Dennis was vulnerable to a bid from Mayflower and has made a decision to get into bed with Henlys as a poison-pill approach to defence. Mayflower realised it had to make a move.

international business International expansion will which, with brand distribusee the addition of a woodtion in over 50 countries and chuck to HP Bulmer's brand manufacturing operations in menagerie, following the UK Europe and Australasia, curcidermaker's \$14.4m (£8.7m) rently accounts for more acquisition of the Vermontthan 20 per cent of group based Green Mountain Cidprofit." ery. Bulmer, the UK market in 1997, Green Mountain Cidery made operating prof-

Bulmer expands

brand menagerie

leader, has a 9 per cent share of the US cider market through its Woodpecker and Strongbow brands, while Woodchuck has a 17 per cent market share.

growing cider segment of the US long alcoholic drinks market.' Bulmer has targeted overseas expansion against the

backdrop of a fiercely competitive and struggling UK cider market Mr Hughes said: "We are

Mike Hughes, chief executive, said: "This acquisition

creates a step change in Bul-mer's presence in the fast-

committed to expanding our

its of \$134,000 on turnover of \$7.84m and had assets of \$3.08m. Unaudited profit for the first half of 1998 was in excess of \$1m on turnover of

in the operations and brands, resulting in a "mar-ginal dilution" of earnings in the first two years. It markets its existing brands in the US through

the Guinness Bass Import Company and these distribution arrangements will be

Markets next week

committee, which decided to economy continues

■ MONDAY: In the UK, unchanged It also release annual fall to June. Output spending plans. figures are expected to show

from the 1 per cent annual rise to June. ■ WEDNESDAY: The Bank

of England releases the

minutes of the July meeting

of the monetary policy

leave interest rates now.

producer input prices are its August inflation report, expected to show an annual which the markets will fall of 8.5 per cent to July, a analyse for reaction to the slowing from the 8.7 per cent government's public

Average earnings figures an annual rise of 0.8 per are expected to show an cent, which is also a slowing annual rise of 5.3 per cent, a slowing from the 5.4 per cent annual rise to April Unemployment is expected

to have risen by 700, the

same figure as June, as the

Heywood Williams Ocean continues in windscreen sale US expansion

Heywood Williams is seiling of £73.1m. Its manag its Auto Windscreens division to inhoco 788, an HSBC Private Equity-financed rehicle, for £77.2m. The group said it wanted to focus on its core PVCu sale of Auto Windscreens

window and door products

businesses in the UK, and on manufactured housing and recreational vehicle compoments in the US. Windscreens Auto employs 1,500 people and

will have a small stake in the company, according to Heywood Williams. Ralph Hinchliffe, executive chairman, said: "The

focused on its building products activities." Heywood Williams, which was advised by Deutsche Bank, said the sale proceeds would more than offset its borrowings after £58m of

acquisitions in April.

leaves the group totally

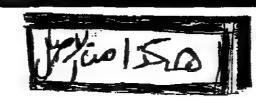
Ocean Group, the international freight company, is

buying Skyking Freight Systems of Dallas, Texas, for an initial \$8m (£4.8m) in cash plus \$16.6m in a year's time and a profit-related amount over the next five years of up to \$60m, but expected to be about \$10m. The company has 14 regional offices in the US and in 1997 made operating profits of

The deal follows last week's announcement of an alliance with Caliber Logistics, the US road distribution specialist, and marks a further step in Ocean's plan to establish a presence in the US. John Allan, Ocean's chief executive, said: "One of our key objectives has been to secure a domestic logistics capability in the US, to complement our strong international airfreight forwarding

profits of \$4.1m on turnover RESULTS

	Tunever (bu)	Pro-tan: profit (Eta)	195 (p)	Consult (p)	Date of payment	Dividends Corresponding dividend	Total for	Total ignt
Affigures Loleutine _ 6 miles to June 30 Pr Featur (John) Yr to Feb 26 Johnson Sarvies 6 miles to June 30 Bocal Electronics Yr to June 30 Tranny Law Yr to June 30	19.5 (18.3)	1.48\$ {1.431} 229.8 {17.75.\$4} 1.52.\$ {0.723.\$6} 11.1\$ {0.614} 1.46 {1.52\$ } 1.46 {1.52\$ } 1.065\$ {2.21.\$6} 1.476 {2.32.\$6} 1.476 {2.32.\$6} 1.478 {2.02}	6.18 (5.84.) 27.3 (19.4.) 13.21. (5.8.) 14.47 (19.22.) 2.84 (2.78.) 77.27. (11.3.) 8.33 (20.6.) 11.5 (37.55.) 20.8. (2.7.)	all 8 mli 2.3 1.15 3.04 mli 2 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4	Oct 19 Oct 1 Dec 1 Sept 11	ni 8.4 48 3 1.15 3.9 16 2.8	nii - pii - - - - - - - - -	nt 20.8 nt 12.8 3.75 8 18 8.42 2.8
Investment Trusts	380 (A)	Attributation Gernings (Conj	EFE (4)	Carrent perpentint (p)	श्चित वर्ष क्रमामका	Corresponding dividend	Total for	Total lest your
Extrapour, Assets # . 6 color to Jose 30			0.12 (0.13)	0.08	AUg 31	0.08		0.16



COMPANIES & FINANCE

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der mar life [MAN] all high more than Carrier of the Carrier of States Berteiten auf . Ini es ping the mining the Mr. Standardskie A. 金 通常 温泉学 日 alle Gregoria affriken.

By Tim Burt in Stockholm and Mikki Tait in Chicago group, yesterday announced that the head of its US group to join arch-rival Motorola of the US. 11. Fm. Phy Factor

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know-how at a senior man- and Canada fell from Yesterday. Mr Hedfors Motorola, meanwhile, is Gilmore, executive vice-pres-Bricsson, the Swedish ident in charge of the commobile telecommunications munications group.

But in Sweden there were suggestions that Mr Hedfors operations was leaving the - who worked for Ericsson our policy to change the for 30 years and was its chief head of subsidiary Ericsson is hoping to year. technical officer before mov-Motorola, which is strug- ing to head its US subsidiary gling to regain momentum in 1994 - had quit following after allowing rivals to race dissatisfaction over the perahead in digital cellular formance of the group's unhappy at sales losses in of revenues. In the first half phones, said Bo Hedfors' mobile systems and infrasigning was an important structure bosiness in North achievement. "He will America.

Ericsson's sales in the US internet-related business

this year.

The Swedish group refused defection, saying only: "It is operations every few years." that Sven-Christer Nilsson, chief executive, was

reinforce its lead over Moto-Nevertheless, it is thought rold and Nokia as the world's largest mobile telephone company in terms data communications and with \$5.65bn at Nokia and \$5,59bp at Motorola

Chrysler and Dakmler-Renz

here prices probated)

agement level," said Merle SKr5.04bn to SKr3.74bn said the move had been a trying to catch up with its (\$469m) in the first half of personal decision. "The US European rivals which market is where I believe I rushed to develop products can do the best job in life. It based on the global system to comment on Mr Hedfors' had nothing to with Erics- for mobile communications, son's future business plans." It is due to launch a new Mr Hedfors leaves as range of digital phones this

> Mr Hedfors will bead its new "Network Solutions Sector" unit.

Briceson said Mr Hedfors would be succeeded by Bo the region and the group's of this year Ericsson posted Dimert, currently general failure to make inroads into turnover of \$7.5bn, compared manager of the Swedish group's business unit enterprise networks subsidiary.

also questioned on the

grounds of rising competi-tion in sports utility vehicles

and people carriers - the

"light trucks" on which the

much of the group's impres-

sive earnings have been

Grand Cherokee, which has

just been revealed in the US,

should sell strongly," said

Mr Reitman, "But the mini-

vans are going to come

under pressure from new

competitors such as Honda,

as well as improved vehicles

He also warned that firm

like Ford's Windstar."

"Chrysler's new Jeep

based in recent years.

Ericsson US head to join Motorola BNL sale set for October

The privatisation of Banca Nazionale del Lavoro will be launched in October with a public share offer of about 50 per cent of the Rome bank estimated to be worth L7.000bn (Sibn)

Yesterday's appouncement by Roberto Ulissi, a Treasury official, at a BNL extraordinary meeting was accompanied by the appointment of Luigi Abete as the new chairman.

Mr Abete replaces Mario Sarcinelli, who walked out last month after clashing with Carlo Azeglio Ciampi. the Italian economics minis ter, and Davide Croff, BNL chief executive. Mr Sarcmelli claimed he was not being properly informed about the privatisation plans for BNL,

The appointment of Mr Abete, a former chairman of Confindustria, Italy's indus trialists' association, signals that the Treasury does not want to repeat last year's embarrassing boardroom clash following the privatisation of Telecom Italia.

Treasury officials said ves terday Mr Abete was not a caretaker chairman and that he was expected to continue as chairman of the privatised bank as long as its new dureholders backed him

Shareholders also approved the conversion of BNL non-voting savings shares into ordinary voting shares, which will reduce the Treasury's stake from 85

per cent to about 70 per cent. This will be sold in two tranches - a 20 per cent itake to the bank's new strategic shareholders, with the Treasury's remaining 50 per cent floated in October.

pricing for sports utilities, Banco Bilbao Vizcaya, the Spanish bank, has emerged in pole position to lead BNL's future strategic shareholding core after the Trea sury rejected a bid by INA the Italian insurer, for a 35 per cent stake.

> Mr Croff yesterday also said BNL's first-half net profits before exceptionals rose from L40bn to L464bn.

NEWS DIGEST

COMPUTERS

\$35m farewell cheque

EDS chairman wins

Electronic Data Systems, the Texas-based computer outsourcing group, is paying \$35m to say goodbye to Les Alberthal, its charman and chief executive. Mr Alberthal announced on Thursday that he would step down once a successor had been found.

Shareholders had called on Mr Alberthal to resign as chairman and questioned his high compensation in the light of heak share performance. The company said yesterday that the growth of e-commerce and internet meant it needed to look outside for new management expertise. Most of the executives are internal appointments.

It said the large pay-off, which will cost 5 cents a share. was compensation for a non-compete agreement, which prevents Mr Alberthal from working for anyone else in the

The share price rose strongly yesterday on the news, rising \$3% to \$40% in midday trading. Roger Taylor, San Francisco

TELEPHONY

DDI to undercut KDD

DDI, the Japanese telephone carrier, yesterday outlined plans to enter the international long-distance market, with a service to the US. Europe and Asia at rates up to 50 por cent below those of Kokusai Denshin Denwa (KDD), the biggest Japanese long-distance operator, DDI has until provided only a domestic long-distance service.

KDD said it had no plans to lower its rates in response "We have several discount rates already, and there are no plans to change our current system," the company said. DDI aims to begin service in October and has signed contracts with Cable and Wireless, the UK operator, Tele

globe, the Canadian telecoms group, and KDD to provide local connections. Shares in the carrier were up 2.3 per cent to Y450.000 following the announcement. Alexandra Harney, Tokyo

AIRLINES

Air Canada beats forecasts

Strong demand by North American business travellers helped Air Canada, the country's largest airline, to report second-quarter earnings of C\$91m (US\$59.7m), or 49 cents per share, compared with C\$71m, or 39 cents, in the same period last year. The company had been expected to earn 44 cents per share.

Operating income was C\$148m, Lamar Durrett, chief executive, said the results were mainly due to high volumes of domestic traffic, as well flights between Canada and the US. However, observers were concerned about Air Canada's rising operating expenses, which increased 18 per cent from last year to C\$1.5bn. Salaries and wage expenses rose 15 per cent, while aircraft maintenance costs were up 40 per cent.

Mr Durrett said the company would redeploy aircraft to more profitable routes, and replace older aircraft to contain costs. Scott Morrison, Toronto

Daimler and Chrysler shine

investors have welcomed upbeat forecasts from the carmakers ahead of their merger, writes Haig Simonian

S the German group merg-ing with Chrysler of the a lacklustre German market yesterday as investors reacted to its upbeat earnings forecasts for the next three years.

strengthen knowledge and

Investors pushed the stock to DM180 after digesting the profits and earnings figures for Daimler-Benz and for Chrysler in the proxy statements filed by the US company on Thursday.

Chrysler shares also climbed, with a \$1% rise to \$58% on the back of long-term sales and profit forecasts appreciably higher than US analysts expected. German investors will obtain further details of the

report" to be made available by Daimler-Benz today. Although much of the information will be identical to that in the proxy statements. the German version will include data on many of the esumptions on which Daimler-Benz's profits and sales forecasts have been made. Both sets of reports have to be sent to shareholders

ings called by the two companies to approve their deal

Balgium (22) Brazil (26) Canada (119) Desmark (34) Finland (25)...

France (78) Germany (56) Greece (37)

Japan (480) Mataysia (100) Mesco (29) Netherlands (27) New Zealand (14)

Spain (31)...

ahead of the special meet-

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hares in Daimler-Benz, shares to higher-than-expec-industry analyst at Schroder ted figures for profits in the next three years. The upbeat US, rose 4.2 per cent against figures were attributed partly to new cars and compurcial vehicles.

Among important developments on the horizon are the launch this year of the new S Class from the group's Mercedes-Benz vehicles arm. The S Class has traditionally commanded impressive profit margins and many analysts believe profitability on the new model will be higher than on its predecessor because it will be easier

and cheaper to build. "I'm impressed with the numbers. When you get to 2000, they've got some very ambitious forecasts," said Stephen Haggerty, motor

stuff already, but it takes the market a little while to react," said Gregory Melich, Stanley in London. Some observers remained a little cautious. Merrill Lynch's Stephen Reitman noted Daimler-Benz's results for the first half of 1998 had

Securities to London.

"There weren't any huge

surprises, as Daimler had

been hinting most of this

been very strong. He argued. however, that the numbers included extraordinary elements, and the longer-term projections would have to be examined more carefully. While Daimler-Benz's projections were generally

casts met greater scepticism.
Analysis noted the figures were appreciably higher than the Wall Street consensus, based on the expected decline in new car sales as part of the US vehicles cycle. The consensus numbers don't have that level of growth," said Mr Melich. Chrysler's figures were

ler's sales and earnings fore-

viewed favourably, Chrys-Details emerge of top-tier compensation at Chrysler

Chrysler's proxy statements have shed new light on the compensation its top executives will receive if the Deimler deal goes through, writes Nikki Teit in Chicago.

The payments are to Bob Eaton, chairman, and Bob Lutz, former vice-chairmen, and have two elements. But the recipients also include Analysts attributed the Gary Valade, finance, Tom surge in Daimler-Bens Stalikamp, president

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andformer head of procurement, and Dannis viey, manufacturing. Cash from Incentive programme for 1998, until time of merger: Mr Exton, \$3.7m; Mr Lutz, \$1.32m; Mr Stallkamo, \$1.5m; Mr Valade, \$1.06m; Mr Pawley,

 DaimierChrysler shares in respect of existing Chrysler stock options and equity-based compensation

185.18 186.24 187.29 200.27 -1.3 1.72 185.49 188.06 189.00 170.87 182.04 200.24 173.27 286.45 200.00 289.16 207.34 207.26 215.5 183.0 189.14

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359.65 320.31 93.96 455.84 85.86 166.10 386.39 305.63 86.15 92.69 132.75 85.24 183.81

pians: Mr Eaton, 628,277 (worth \$66,2m on a \$65,71 Chrysier share price), plus appreciation rights over another 2.27m shares; Mr Lutz, 244,314 (\$25.7m) plus appreciation rights over another 683,380. Mr

Stallkamp, 222,947 (\$23.5m) plus rights over 379,384; Mr Valade, 210,586 (\$22.2m) plus rights over 442,685; Mr Pawley, 204,104 (\$21.5m) plus rights over 298,657.

347,55 464,94 228,23 446,52 531,55 283,18 273,08

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which are believed to command generous margins for their manufacturers, may suffer as more used vehicles become available. Threeyear-old vehicles, bought as the sports utility boom was gathering pace, will start to come off lease, which could damage the profitability of new vehicles, he argued.

WEEKEND BUSINESS

BUSINESSES FOR SALE

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Trade or Consumer BUSINESSES 12 staff & space for expe FOR SALE Price with stock, some 255555 USD25 million.

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APPOINTMENTS

EQUITY EMERGING MARKETS

This leading international financial services company wastes to appoint

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Equity Friday September 18 Tel: +44 171 873 3206 Fax: +44 171 873 4296 empile alanteunningham@FT.com FINANCIAL TIMES



COMPANIES TIMARKETS

Weekend August 8/August 9 1998

Japan unveils \$110bn Unilever tax and spending plan growth in

Obuchi blueprint aims to revive economy within two years

ian Tett in Tokyo

Keizo Obuchi, Japan's new prime minister, yesterday announced more than global slow-down. Y6,000bn (\$41bn) in tax cuts and Y10,000bn (\$69bn)in an economic blueprint to revive the morfbund Japanese economy "within one or two years".

chi's fiscal strategy contained few new initiatives, especially in the key area of banking sec-

The benchmark Nikkei 225 index closed little changed at 15,829.17, down 0.30 per cent. The yen weakened to Y145.56 against the US dollar in late Tokyo trading.

The biggest problem is the prolonged economic stagnation and declining trust in the financial system," Mr Obuchi told parliament in his first opportunity to outline his fiscal strategy since coming to power earlier this month.

under intense pressure to kickstart its economy, which is in recession, to help revive the region and avert a broader

Mr Obuchi said a second supplementary budget of Y10,000bn would be introduced in the current fiscal year. This budget would focus on high-tech projects to "meet the needs of the 21st century". instead of the traditional beneficiaries of state pump-priming, such as the construction sector and rural areas. It will be Japan's sixth supplementary budget since November.

Mr Obuchi confirmed widely leaked reports that the government would unveil Y4,000bn worth of income tax cuts and at least Y2,000bn in corporate tax cuts from next April. The top rate of income tax will fall from 65 per cent to 50 per cent and corporate tax will fall from 47 per cent to 40 per cent. He said the tax cuts would be financed by deficit-financ-

The Japanese government is although the authorities would also try to achieve savings, notably by cutting the number of state employees. Mr Obuchi gave a firm commitment to cut the state payroll by 20 per cent over the next decade. Unemployment is at a record high of 4.3 per cent, which officials acknowledge will rise in the

short term.

Market concern yesterday was focused on the government's attitude to the banking sector, which is saddled with bad and problem loans totalling Y88.000bn. "It is of the highest priority to address the non-performing loan problem, Mr Obuchi said.

Analysts fear the govern ment may be softening its position on bank closures a view apparently supported by comments by the prime minister's spokesman that the "government would like to minimise bank failures if it can ... but it would not rescue 'had banks'

ing bonds "for the time being".

CBOT to begin electronic trading in new commodities

The battle between US fatures exchanges, spurred by the recent explosion in screened trading systems, intensified yesterday when the Chicago Board of Trade said it intended to launch daytime electronic trading in five new agriculture commodities.

The surprise move by the CBOT to begin trading in coffee, cocoa, cotton, sugar and orange inice is a direct challenge to the New York Board of Trade. The NYBT was created recently by a merger of the New York Cotton Exchange (NYCE) and the Coffee, Sugar & Cocoa Exchange (CSCE) which have handled trade in the commodities on two pit-based "open outcry" iges in Manhattan.

becomes more prevalent in the to launch an electronic system futures industry, moves by for trading Treasury futures. It derail the European linkage:

Companies in this issue

29

17

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The German-Swiss electronic Eurex exchange has snapped up the lion's share of trading in the important bund contract from the London International Financial Futures and Options

But yesterday's announcement also represents a big turnaround for the CBOT, the world's largest futures exchange, which until recently was firmly wedded to the "open outcry" system, delegating electronic trading to afterhours business only.

Two weeks ago, directors made the first concession on that front, approving electronic trading of bond contracts during regular pit trading hours. This move, however, was defensive, coming in the face of a plan by the As electronic trading NYCE and Cantor Fitzgerald er's contracts are likely to tember, if members approve.

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22

man of CBOT, said the exchange "crossed the Rubicon" when the board took that decision, although he stressed that CBOT had no plane to list its big existing agricultural contracts - including wheat,

corn and soybeans - electronically during daytime hours. He said a significant portion of the futures business done in the five new contracts was generated by firms which are aiready members of CBOT.

Meanwhile, Mr Arbor confirmed that CBOT and the Chicago Mercantile Exchange had held more talks this week about consolidating their business. Members of Eurex - with which the CBOT has an alliance - were also present but had now returned to Europe. "There was no conclusion," Mr Arbor said. He stressed that CBOT would do nothing to

slips as sales slows

Unilever, the Anglo-Dutch consumer group, unnerved investors yesterday by reporting lower-than-expected sales growth and a surprise fall in operating margins in its second quarter results.

The shares initially fell sharply, losing almost 7 per cent in early trade, but later recovered to close 4\pm down at Sales from the business

retained after last year's restructuring rose by just 2 per cent to \$7.4bn (\$12.2bn). This was largely due to lower-thanexpected volume growth in Europe and north America, where Unilever has under taken a number of expensive product launches.

Niall Fitzgerald, chairman reassured investors that economic conditions in those regions "continue to develop relatively favourably".

Operating profits fell by 4 per cent to £689m, causing margins to slip 0.5 per cent to 9.8 per cent, rather than increase as had been hoped.

Mr Fitzgerald blamed this on a sharp increase in marketing spending - £110m more than in last year's second quarter as Unilever launched washing powder tablets in Europe and Thermasilk hair care products in the US.

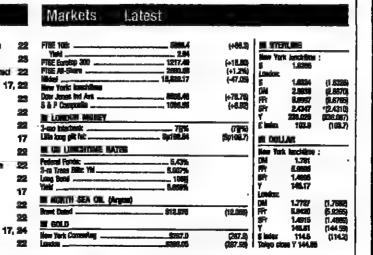
Analysts admitted they had seen slightly over-optimistic in their estimates of sales growth, conditioned by Unilever's very strong first quarter performance.

"It looks in retrospect as if wa might have been a little too bullish," said Richard Workman at ABN Amro. However, he remained confident about the outlook for the shares.

Unitever reported a 79 per cent fall in pre-tax profits to 2722m in the second quarter. Last year's figure was flattered by an exceptional £2.7bn profit on the sale of the group's chemicals businesses to ICI Excluding that, profits fell by 3.2 per cent.

For the half year, excluding exceptionals, operating profits rose 15 per cent to £1.4bn and pre-tax profits climbed from £1.2bn to £1.5bn. Rarnings per share at 199

exchange rates fell by 70 per



Weather

Europe today

will be showery, but most of m Europe will brighten up From the Iberian Peninsula through France, northern Italy and central Europe to the northern Balkans and Turkey i will be hot and sunny. Much of but the southern Belkens, north west Greece, southern Italy and thunderstorms, with local heavy downpours. The Aegean will be

Five-day forecast

Scandingvie will have further min and showers, although rain in the north-east will become confined to Russia. Heavy, thundery showers over southern Italy will clear towards mid-week. Most other areas will stay sunny and hot, but the north-west may become cooler by mid-week.





THE LEX COLUMN

Onus on Obuchi

Asian doomsters are again firmly in the saddle. Japan, predictably. remains the centre of concern. Th keynote speech yesterday by Keizo Obuchi, Japan's new prime minister, received a tepid reception. He confirmed some Y6,000bn in tax cuts and a further Y10,000bn stimulus package, but the markets are impatient for action. Humour has not been improved by signs that the government may be soft-pedalling on bank restructuring. Were it not for fears of central bank intervention, the yen would be sliding.

There has also been a serious out break of currency jitters in Hong Kong and China. Interbank rates in Hong Kong have shot up again, the Hang Seng index fell 12 per cent over the week, and black market dollar rates on the streets of Shanghai and Beijing are creeping ominously

Despite these pressures, a round of devaluation is still far from inevitable. China has sufficient reserves to resist so long as its nerve holds. The political incentives for so doing remain considerable Likewise Hong. Kong has the firegower to hold firm. But life would become tougher if the yen were to fall sharply. The US is unlikely to favour this, given that it is less than two months since it was supporting the yen in the markets. The price for support was Japan quickly addressing its economic and banking problems. It is too early to say it has failed - plans are on the table and it is now a matter of how vigorously they are implemented.

But might Japan's new government be more indulgent of yea weakness? It is certainly possible: Eisuke Sakakibara, Japan's chief strong yen advocate, is invisible, while sustained fiscal stimulus. allied perhaps to further monetary expansion, could undermine the yen. The 40 per cent bounce in the Korean won, on the back of healthier reserves, may even resulage concerns about regional contagion.

Of course, if this combination of policies succeeded in fostering economic recovery, it could serve as grounds for a stronger yen, not a waaker one. Much will turn on how Mr Obuchi approaches his task. The current pessimism, however, looks oremature.

US bonds

Given the gyrations of the US stock market this week, investors might care to look at bonds instead. US Treasuries have performed well tives. Profitability is supposed to be

this year, though a total return of less than 7 per cent on the long bond still pales against 13 per cent on the S&P 500 index. Going forward, however, prospects for bonds look much

more certain than for equities. The domestic picture is benign. Admittedly, the labour market remains extremely tight. Excluding the effects of the General Motors strike. July's employment numbers showed another strong gain. But until this produces clearer signs of inflation, interest rates are likely to

Meanwhile, the ballooning trade deficit and moderating consumer spending growth will weigh more heavily on the economy in the second half of the year.

Moreover, the market is still being underpinned by a flight to quality from overseas. Until Japan is seen to have a firm grip on its problems, the yen will remain vulnerable. And investors will continue to be easily put off by rumours of Chinese devalustion or bad news from Russia. As a result, money is continuing to pour into the US bond market at a time when the federal budget surplus is reducing supply.

This combination should help yields move lower, to perhaps 5.5 per cent on the long bond from 5.65 per cant at present. That does not sound hugely exciting. But given the limited downside and the current volatility of the stock market, bonds look an attractive safe haven.

Unilever investors must have felt as though a lump of ice cream had been dropped down their necks at first sight of the results. After astonishingly good first quarter figures, the latest set show a string of nega-

recovering after heavy restructur ing, so any break in progress towards double digit earnings growth looks ominous.

MILKIN

However, Unilever was - with some justification - able to press the "don't panic" button. A bulge in product launches added LITOm to the quarter's advertising bill. Assuming the annual level settles down at the normal 12-13 per cent of turnover, this provides little cause for concern. As for the running total, interim profits before exceptional gains and losses were still 15 per cent ahead albeit flattered by constant currency

But some niggles will not go away. including currency moves, quarterly profits from Asia-Pacific were 252m lower - the region contributed 14 per cent of last year's £2.8bn total Another irritant is the jumble of one-off items. Restructuring charges should be about £400m less this year, but disposal gains will fall well short of last year's humner level. Investors are, of course, invited to ignore this noise and focus on improving operating margins. As the group average remains below 10 per cent. there is clearly much to go for ~ hence Unilever's premium to the leaner Cad-

bury Schweppes. Both are cheaper than their US peers, and so should benefit from any renewed interest in safe-haven

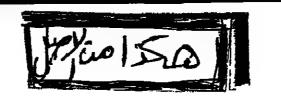
Sports sponsorship

Are sporting events pushing their sponsors too hard? International Rusiness Machines' decision to break its 40-year link with the Olympic Games looks a brave attempt to wrestle power back towards the

Sponsoring the games costs \$40m. That has to be supported with huge advertising, and there is a risk of non-sponsors free-riding at these events. Moreover, a vast array of different classes of aponsors can create advertising clutter. Throw in the public relations damage IBM suffered at the Atlanta games over computer glitches, and it is not clear that huge sports events are such a dead-cert for sponsors, Still, IBM's move is risky if computer rivals are seen to be knocking it off the global

But the Olympics must realise that if Big Blue is balking at its rates, so may others. If too many defect to other sporting events hun gry for attention, the Olympics jeop-

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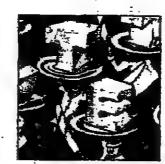


n Obuchi



Finished Fuentes

'What I write after this will be left to my wife as a legacy, like a few old Bonnards or Van Goghs'



Fat of the land

'I love butter. I do. I am thinking of starting a campaign against its abuse and neglect



At the crease

'Most of us need to transport our clothes, and we don't have the time or inclination to iron them when we arrive'

Page X

The caged bird's song

When Simon Buckby went to jail, he prayed for a door with a lock on the inside – and found that 'doing time' means more than losing your liberty

again. It's not just the loss of lib-

If you are ever sent down, make three wishes. First, put on death row. that you are thrown in a you can hole yourself ut against the threat of attack and robbery when convicts are allowed on to the wing.

Second, that you are in an old-fashioned prison, designed with wings running like spokes from a central vantage point, so that during your few paces to the food hatch other prisoners cannot drag you out of view of the

Third, if you are given a seven-day sentence - typical for non-payment of fines and other minor offences - pray that you are convicted on a

OVER THE WORLD

Thursday. Half the time can be absorbed in remission and not served, and because prisons release those who have done their porridge first but never over weekends, you will be freed early the following day without meet-

ing another immate. This is what happened to Matthew Simmons, the man convicted for yelling racist abuse which provoked Eric Cantona into a kung-fu

attack against him. I hope you never need to apply these tips. I picked them up minutes after being thrown inside - all in the "method" school of journalism, you understand.

Soon after joining the Financial Times last year, having written several articles about the shortcomings of the Prison Service, I bumped into its director-general, Richard Tilt. He asked in a rather knowing way if I had ever spent time in fail. When I admitted I had not, he suggested I should, to "get a feel for what it's really like". It would be his, as well as Her Majesty's, pleasure to arrange it, so I volunteered to spend a few

There was a worrying fictional precedent in the 1950s Fritz Lang film Beyond A Reasonable Doubt, Dana had been worn by another Andrews played a writer inmate only the day before.

land you in jail, think . I murderer to show how eascould lead to a miscarriage

in a final twist, just before modern cell, with locks on being strapped into the elec- strapped to his body, only along he was innocent but other side. wanted him to appreciate what it really felt like to be in the shoes of a murderer. For me, the moral of this story was clear; let everyone know I was an innocent, far from fearless, reporter.

> I asked an inmate what he most wanted to improve life. He said a lamp by which to read

My intention was to compare two very different establishments: one, a modenvironment the other, an ancient, underfunded, strict

ystem. Armley jail in Leeds, which has just calebrated its. 150th anniversary, is known as a "dispersal" prison. Far exceeding capacity, it currently holds 1,200 men. mostly remand, short-serving, and recently-convicted prisoners awaiting transfer to higher-security arrange-ments. The outside looks like a cartoon haunted house, a series of shadowy turrets high on a hill.

New convicts are frogmarched from the cells-onwheels which brought them from court, past a barricade of guards with dogs, through the main gate and, chink,

Possessions and dignity are, literally and immediately, stripped away. I was issued with the standard uniform of blue-and-white striped shirt, prison-made jeans, and underpants which

f you have ever who, with the collaboration. Even though I had just thought of doing any- of a newspaper publisher, been hosed down, I thing which might falsely implicated himself as felt uncomfortably unclean.

fly circumstantial evidence escorted march deep into the cavern of the jail, along a erty. Or the food. It's the of justice After he was duly maze of austere concrete confeer. A shivering fear of viclence washing over the akin coincidentally killed leaving courtyards, leaving no sense no means of proving his of direction. The countless opened by an officer, with an outsized ring and keys the inside as well as out, so tric chair, the prison author- after he had been given the

> I stepped on to a wing which could have been the talevision series, Porridge. being thrown from above.

had tried to escape.

ern, well-resourced, liberal are allowed to roam their Gary Oldman's film, N. By

> Whether they are in prison for punishment or rehabilitation is an important debate for public policy theorists. But my immediate concern, and the constant headsche for Richard Tilt, was: how down a handful of officers maintain control over 200 cased men, many convicted

The answer is good personal relations between jailer and captive, and a simple system of carrots and sticks. New prisoners are put on a "standard regime"... Well-behaved immates earn. "enhanced" status, with privileges such as cushions for their wooden seats. Others can lose those seats alto-

set from Ronnie Barker's Half a dozen officers stood at one end, facing a tunnel lined with 20 grey doors on each side, three storeys high, with balconies separated by netting to prevent missiles On each door were A4-

sized panels giving the name, offence, length of sentence and time left to serve of each inmate. Several doors had two, some even three, such penels. A large E felt-tipped over a panel indicated that the prisoner

Many of the ground-floor doors were open: it was "assembly". For a couple of hours each morning and afternoon, 70 or so immates from one floor at a time spartan wing. These were not the lovable rogues, Fletcher and Godber, from the TV sit-com. These were members of the underclass, portrayed so frighteningly in

"basic" regime, even sliding

confinement or padded cell. at Garth, near Leyiana in On this standard regime, I Lancashire, seem as much met a man in his late 20s part of the infrastructure as the freshly painted walks and confidence. One of the most wanted to improve his life inside, thinking he

would call for slooked or regular sex, but he said he organised drugs gauge. wanted a lamp by which to That remark captures the atrophying boredom and iso- of "slopping out" - prismers lation of life in orison. In the outside world, most of us waste. At Garth, the complain at having too much to do in too little time.

In prison, time passes pain visions in the cells. Keeping fully slowly, and all there is prisoners content tangibly to do seems insue. Everyone knows that old lags smoke roll-ups, because they go fur-ther, but I didn't realise they also split matches into four, to make them last longer and to kill time. Making knives or other

weapons, and smuggling drugs, are commonplace. Of course, this is partly a reflec-tion of criminal life, but it is also a way to get one over on authority. This proved to be the main pastime of prisoners, in the pursuit of which they are endlessly patient. One told me that when he first arrived he refused to button his shirt to the neck, and noticed the offices let him get away with this small act of rebellion.

started to leave the top two buttons open, and 12 months later three. He explained of \$7.50 a week. In Leeds, I that having been in prison for many years, with the officers grown accustomed to him, it was his proudest achievement that he could now occasionally walk his wing without a shirt.

Leeds jail is a harsh place. gether if demoted to a The internal brickwork is exposed, giving it a raw feel. visit a month. Up to three .into 24-hour-a-day solitary The more liberal conditions outsiders per immate file into

modern facilities. One of the last to be built with public money, it opened in 1988 as a many lifers and members of

Just two years ago, Leeds became the last prison in the removing their own lavatory enhanced regime has pool visions in the calls. Keeping helps reduce tension and maintain order.

After my ordeal, I was shown a governor's eye view of the jalls. At Garth I saw the chapel, library, vast

Repeat offenders have to see relatives from an enclosed booth. behind a glass screen

mesings and factories where inmates work for an average was taken to the psychiatric wards, where, in a macabre spectacle, four nurses worked a 24-hour rota to stare through an iron gate at a prisoner they believed to

Convicted prisoners are allowed about one, 60-minute a large hall, and sit at chairs bolted to the floor. Although visitors are

searched on their way in, and prisoners on their way back to the cells, this is where most drugs enter prison. The CCTV video Tilt knows that the devil makes work ... He, along with governors and officers recordings reveal that welcoming hugs frequently at the sharp end, are con-shield a friend deftly slip-stantly managing an inflamstantly managing an inflamping a hand into a prisoner's amali packet.

The few who are caught have their visits further rationed. Repeat offenders from an enclosed booth, behind a glass screen, communicating by telephone. Regular drug-testing in

jails has shown the full extent of the problem. Other technology is starting to expose the extraordinary deviousness of human do with their time.

I was shown a computer plan of Garth, a lay-out of each of the 600 cells in the

A push of a button coloured the cells of all those who had tested positive for heroin – they were in a row. Another button categorised prisoners by ethnic origin the Asians all had cells nee each other, so did the Afro-Caribbeans. I was informed that many of those on the all-white wing were racists The next screen showed all the homosexuals had cells side by side, and another that criminals from gangs in Manchester or Liverpool had

congregated. Even though cells are always allocated and never selected, months and years of bartering, bullying and bribing had led friends to end up near each other without the officers on the wings

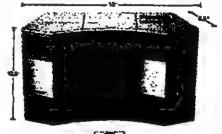
This smaxing ingenuity matory cocktail that could mixed with an appalling capacity for violence, in men with nothing but time on their hands, is how I remember prison life, And Richard

crowded and long-term funding shortzees have scythed down the hours prisoners spend in paeful activity. I guess Richard Tilt got what he wanted out of my time inside; respect is due.

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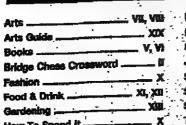


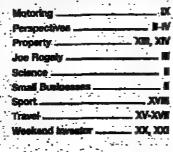
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Contents and columnists







Joe Rogaly Permanently poor

Britain's big-government schemes, such as workfare, cannot reach everyone'

Page III

NEXT WEEK Chips go crazy Every supermarket product

thought it was a desiccated fungus from northern Umbria' In FT Weekend

Organic growth from vegetables

Tom Linton meets a farmer who is benefiting from his principles

family farm in Devon, which rented moor from the Church Commis- where demand for organic sioners, for a couple of years produce is strong. "You after studying agriculture at really don't have to go out Oxford. He was one of four siblings sharing the tasks intensive crops and sold involved in running a mixed dairy and arable farm. But things like spinach, leeks. he hankered for a measure He found it by doing a

two-year spell in management consultancy in London and New York. "I think they took me on simply because I had a first in agriculture and forestry sciences - they quite liked oddballs." But even though he found the work mentally stimulating, he tired of working in an office and on his return to the family farm decided to experiment by allocating profitable," he says. three acres to growing

organic vegetables. That was 12 years ago. Today, 250 of the 800-acre farm are down to vegetables, which Watson runs as a separate enterprise. One brother runs a Friesian herd and free-range hens on the rest of the farm, another brother runs the farm shop, and their sister looks after the

young stock. Watson, 38, now a committed organic farmer, admits: 'Although there is a prenium on organic vegetables, they cost more to grow than those conventionally pro-

sychologists know what

makes newspaper read-

ers tick. The first edition

of the American Psycho-

Association's journal on

ment, is a classic example of an

attempt to launch a new title

with an item guaranteed to

ny Watson all the premium in market-worked on his ing and distribution." family farm in His farm is at Buckfast-

leigh on the edge of Dartselling. I started with labourthem to small shops. I grew courgettes and strawberries, if they are fresh."

The response was so good that the following year he grew 15 acres, and continued expanding the acreage by buying land out of profits. Today, Riverford Organic Vegetables has a turnover of just over £1.1m and Watson claims to be the largest independent organic producer in Britain, "The last three or four years have been very

Organic producers probably face more handicaps than conventional growers. Crops that are not fed with agro-chemicals or sprayed with herbicides and insecticides usually yield less than those that are, Because most organic producers operate in a small way, distribution costs are higher.

Watson, who is accredited by the Soil Association, is so acerned to maintain the integrity of his organic produce that he recently fought - and lost - a High Court action to halt trials of genetically modified maize in a



an element of doubt about organic food and, to that extent it has damaged my business," he points out. Watson received financial support in his action from Friends of the Earth and the Soil Association, but estimates that he will have to pay about 10 per cent of the costs of going to court of about £20,000. Sympathetic lawyers reduced their fees and members of the public sent donations, including two of £1,000 each.

Labour represents by far the highest proportion of Ty spend 222,000 a year on manual weed control. Weeding his 10 acres of carrots costs between £100 and £500 an acre, depending on prevailing growing conditions.

"We harvest carrots by hand that costs £1,000 an acre.

use contractors because it is aper. They do the seedpreparation, planting and harvesting, but we do the weeding ourselves." He employs 30 people

so seasonal workers. Although supermarkets purchasers, by the early 1990s orders began to dry up as recession hit consumers pockets. So, four years ago, Watson decided to gain greater independence from supplying wholesale and

of vegetables direct to house

full-time, plus another 40 or

holds, local greengrocers and health food shops The scheme took off and now accounts for 35 per cent 5 per cent going to other retailers' trade in boxed vegetables. About 250 boxes a week are sent to London along with two or three lorry-loads of bulk vegetables destined for wholesalthe big multiple stores -Marks and Spencer, Tesco.

Sainsbury and Waitrose

take 16 per cent, and 26 per

cent goes to local shops. The boxes are sold in three different sizes: 25, 27 and 29. For those delivered to the door, there is a small additional charge. Otherwise, customers can collect from a picking-up point. He sells pest contain a minimum of eight types of vegetable. He tries to vary the contents, especially in the win-

ter, but all contain potatoes

grown during the year, in summer the variety is great. In the winter, he imports a small amount of foreign organic produce to make up. Watson is experimenting with ways of introducing choice. "But that would

increase our costs. We may

have to offer the option of a

basic box with very good

With 80 or so different items

value or a choice system. that has to be paid for." The returnable boxes - for which customers are not charged - cost him about 70p each and last for about six journeys.

exotic vegetables are included, Riverford offers a recipe book to new custom

wider base for his doorto-door box sales, Watson tributors and giving them more support by helping Watson has never had to seek long-term finance and has experienced no difficulty in obtaining overdraft facili-

potch of private distributors

and organisers, but is now

considering franchising dis-

ties. "We have always been able to fund expansion from cash generated within the Riverford business," he says. We don't spend on advertisbusiness through farm walks and by holding open days

and showing schools round." Watson believes that his prices will eventually come down as he increases efficiency and gains economies of scale. To that end, he recently agreed a co-opera-

offers incentives to a hotch- farmers who are seeking accreditation by the Soil Association, whose standards and symbol are generally accepted by the trade. Eventually, a further 150

acres of organic produce will be grown on these farms under Riverford's management, making a total of more than 400 acres. It will enable them to share machinery, technical advice, and storage, grading and packing

In time, he sees the co-op erative seiling organically produced lamb, beef, cheese and wine, as well as the eggs Riverford already sells. Enough, surely, to feed his growing family aged eight. five, two and one week. tleigh, Devon TQ17 0LD; tel:

passio for the

abstrac

The Nature of Things

Playing those mind games again

The effects of antidepressants may be all in the mind. But Michael Peel finds different opinions

The article raises the possibility that the apparent potency of The work is reviewed in the antidepressant drugs such as same edition of Prevention & Prozac may be due to psychological factors, rather than their specific effects on chemicals in the brain. In other words, the value of the drugs may be all in the review each other's work.

Irving Kirsch, of the University of Connecticut, and Guy chant example of a tendentious Sapirstein, of Westwood Lodge article whose departure from Hospital, Massachusetts, have published findings that could affect approaches to the treatment of one of the western pecting audience as a 'peer world's most common disorders. Substantial studies in the US and There is a hint of mischief western Europe indicate that almost one-fifth of the population experience some form of clinical depression, although this

condition is twice as common in

could be an underestimate. The

European study suggests the

sions have not some uncontested. Treatment by Donald Klein, a psychiatrist at Columbia University, who shuns the cautious and respectful language that scientists usually employ when they

The study, he says, is a "trenany critical standard has (sic) not precluded publication and has been foisted on an unsusreviewed' contribution to the lit-

about the journal's decision to publish such a provocative study. The periodical's forerunner, Treatment, was set up by the Psychological Association and the American Psychiatric Association as a forum for



of drugs and psychotherapy as treatments for mental illness. The venture lasted one issue before a bitter split between the

The latest dispute has once more focused attention on disagreements within the mental health profession over the effectiveness of drugs in combating

Drugs have both a physiological and a psychological effect: people recover partly as a result of the chemical effects of the treatment they are taking, and partly because they expect the remedy to help them get better. The point in dispute is the relative importance of the two in contributing to recovery. Some psychiatrists argue that

drugs have a sufficiently important physiological effect to make them an essential part of the treatment in almost all cases of depression. "I personally believe psychological treatments are a useful adjunct (to drug-based methods]," says Stuart Montgomery, a professor of psychiatry at Imperial College school of

in the world, it's hard to see how they can compete with drugs." Many psychologists, on the other hand, tend to favour the

use of drugs only to counter more savere, depression and to treat conditions that have a clear psychological cause, such as schizophrenia and behavioural disorders. Stephen Palmer, a senior clinical and research fellow at City University department of psychology, says: "Normally if I see someone with mild to moderate anxiety and denression I would rather see them

need for them to use drugs." Kirsch and Sapirstein tried to resolve this disagreement by using a statistical technique called meta-analysis to combine results mathematically from 19 previous studies of drug effectiveness. Their "confident" esti-

have cognitive behaviour ther-

any because there is probably no

placebo medication is about 75 ner cent as effective as the active

They go on to question whether the remaining difference is due to the direct chemical action of the active drugs, or merely because of an "enhanced placebo effect", stemming from the fact that those taking the dummy remedy do not experience the same side-effects as those on the active preparation. The effect of the discrepancy, they argue, is that nationts taking the active drug have a higher expectation of recovery, meaning that they are more likely to get

To Hugh Koch, a chartered clinical psychologist, this is an arrestingly novel argument that could lead to a reassessment of the value of drugs in treating depression. "I have worked in the area for 30 years and this is

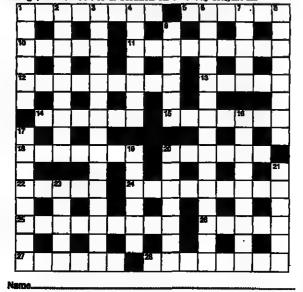
a relatively new issue," he says. "It's taking away a little bit o the power of antidepressants."

Othern find the scope of Kirsch and Sapirstein's work too nar to justify the conclusions they draw. "They haven't analysed a lot of trials and they have analysed general practice trials, which are a rather illmate from the data is that inert defined group," says Charles Marsden, professor of neuropharmacology at Nottingham University medical school.

"They are individuals who so pressants. If you restricted yourself to just looking at severely depressed individuals, you might get a completely different

CROSSWORD

No. 9,755 Set by DINMUTZ



WINNERS 9,748: Mrs M.J. Fox, Scarborough; K.A. Gigg, Chandlers Ford, Hampshire; T.L Payn, Harrogale

Abels International Moving Services



Thrown together, say, in a 1 Thinly spread butter and Most players have been told hit-and-run (8) 5 Note condition of property

Strange card-game (5) Italy not a place for losing plaints around the orient

13 End of motorway illuminated all round (5) 14 See his situation? (6) 15 One in casino busted Mediterranean port (7)
18 Clown, I go wrong in grass

20 Simple fellow, youth-leader, selling church relics (6)
22 Palpitations Heath Robin-22 Palpitations Heath Robinson concealed (5)
24 Greer and I turn out the 20 Headline not right for the guard (9) 25 Left for dead, for example?

26 Clumsy construction of pine table, originally (5) 27 Turns out Shakespeare's first dramas (6)
28 Tie knotted in shorter Gallic style? That is mad! (8)

Solution 9,754 L S A B E I RASCIBLE T G E E S 2 Peace called in Channel

3 Blatant overcharging for light lifting? (8,7)

4 Stupid person about to ring up for shellfish (7)

6 Firm friend and fellow club-member (6,9) 7 Man supporting an unknown number is a

gnome (5) 8 One from Memphis, I pay gent out (8) 9 Sounding poison alarm? (6) 16 Conscious of carrying

They watch snooker-play-Titanic, say? (7) 21 Cold in the extreme (6) 23 Sick person up for check (5)

Solution 9,743



BRIDGE

that it is usually right to establish the longest suit when playing a no-trump contract. Better advice would be to attack the suit most likely to produce extra tricks. They are not always one and the same.

¥ J984 **♦ AK82** 49642 ♦ J9654. ♥ Q72 1032 ♥ K63 ♠ A·K 8 7 ♥ A 10 6

he had lost two tricks there,

Degler: N North East South West IC INT NR 1H NB NB

West's two remaining spades

A875

West led 5♣, and dummy's Hammersmith, August 24-QA won. Declarer started on 30, with entry fees from the club suit but, by the time £10. were winners. When declarer mark Hotel in Marylebone subsequently lost to West's Road, August 15-16. Specta-QV, the spade winners could tors will be welcome free of be cashed to defeat the con- charge.

Declarer can count three

spade tricks, two diamonds and a club. How likely is he to score three heart tricks? The answer is very likely almost 75 per cent of the time - courtesy of \$1098

between the two hands. The

club suit will only produce one extra trick at most, leaving you needing another. The heart suit should produce all the tricks you At trick two, lead Jy and, if East ducks, run it. West will win with Q\, and probably continue with spades You win, cross to dummy's A+, and lead another heart, finessing with 10. Unless East started with four hearts

to the king, when you cash

AV, the remaining hearts will fall, and you reach your final heart winner in dummy via K∳. ■ Two interesting events are being played in London this mouth. Bridge at the Mind Sports Olympiad, to be held at the Novotel in

TGRs high-stake Calcutta tournament is at The Land-

to a GP and get put on antide-SDEWSK.

Kirsch and Sapirstein's work, and the reaction it has arouse shows bow difficult it is to draw sound general conclusions in an area of science that is influenced more than most by differences in individual responses to treatment. The constant variation in people's moods will always work against the designs of drug researchers who try to use control groups to account for differof patients. As Marsden puts it: "We are all unhappy at times, and that blurs the issue."

Matthew Sadler, the England Nxe1 26 Qa7 Qe7! 27 No 3, led with three rounds left in this week's Smith & Williamson British Championship at Torquay, half a point ahead of Nigel Short and Jon Speelman. The

only by the Indian teenager, Krishnan Sashikiran. Backing from the London financial specialists S & W has revitalised the British title contest by encouraging the best grandmasters to compete. Short last played in 1987, has since challenged for the world title, and now lives in Greece. Not quite a Fischer-style exile, but distant enough to create a mys-

grandmaster trio have domi-

nated the event, challenged

tique for opponents. The experienced GM Keith Arkell has himself pulled off many similar traps to Black's 20th, but the occasion dulled his sense of danger (K Arkell v N Short).

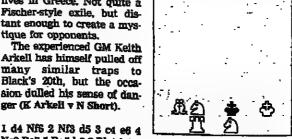
Nc3 Be7 5 Bg5 h6 6 Bh4 0-0 7 e3 b6 8 Be2 Bb7 9 Bxf6 Bxf6 10 cxd5 exd5 11 b4 c6 12 0-0 a5 13 a3 Nd7 14 Qb3 Re8 15 Bd3 axb4 16 axb4 Nf8 17 Rfd1 Ne6 18 Bf1 Qd6 19 Ne1 h5! Feinting at h5-h4 and so encouraging the losing reply 20 g8? Rxal 21 Rxal Bxd4l 22 exd4 Nxd4 23 Qa3 Paul Mendelson | Rxel 24 Rxel Nf3+ 25 Kh1

Resigns. If 27 Ba6 Qf6 28 Qxb7 Qf3+ mates.

White mates in four

moves, against any defence (by John Beasley, British turns seem ample to round up the lone black king. confronted by overwhelming material force and with only one legal move avail-

However, the puzzle has proved hard to crack even for solvers like twice UK



solving champion David Friedgood, who admitted to "racking my brains" over it. The four-move mate consists of just a single line of play, where Black has no alternatives at any turn. Solution, Back Page

"Leonard Barden



PERSPECTIVES



Joe Rogaly.

Will the poor always be with us?

Britain's workfare programme cannot reach everyone. Bigger welfare handouts may be unavoidable

sunshine, we prodarken the mood, talk about the deprived. We mean the really hard-up, those who remain indifferent to whether the Dow is She is one of the buckless. "My

heading for 10,000 or 5,000. We are aware that this may be iresome. Nobody has much time them on holidays, but it is impossible on social security. I she tells us. She had been left for us sleeve-clutchers. Shoulders shrug as we try to hold the attention of the comfortably-off, be they wealthy Indians, rich South Africans, American zil-Honaires, middle earners anytors to a forthcoming book* On a quick reading, Mr Holdaughter Cheryl becomes a hostwhere, taxpayers everywhere, about life in Easterhouse, a pubman's "right" writers condemn ess on Virgin airlines; the gets The poor, they sigh in unison, lie housing estate outside Glas-

zens of wealthy countries endure such wretched lives? "Yester- studies, newspaper and TV ignorant of contraception, crimi-

down and stayed in my bed all day just thinking about what lies ahead for my kids." It is too easy to write her off as feckless, one of the undeserving poor.

The truth is more complicated. children hardly go out of Easterpenniless when her husband threw himself into the Clyde. Anita is one of seven contribu-

skewed, produced by the wrong writers - well-paid outsiders. Mr Holman is the editor and principal author of the volume I have cited. Once professor of at their ability to survive. There social administration at Bath are some near-misses, some suc-University, he moved to Easteradvantaged inhabitants. His how she spends it; she evidently

minister. gow. It is one of Europe's worst. Like Erica, who was abused as a and Branson. Agreed, but need so many citioff pockets of poverty, as child and became a prostitute,
zens of wealthy countries endure described in books, academic they could be called workshy, they could be called workshy,

little room for another portrait, Murray, the American critic of daughter was in care, Carol, but Bob Holman argues that pre-Easterhouse as an example of vious accounts have been Britain's underclass, comparable with inner-city New York.

Take the poor writers' essays slowly, however, and you marvel house to work alongside its dis- notes her welfare income and motivation is profoundly Chris- keeps her children by different tian - just like the force that is fathers fed on chips and beans. said to infuse Britain's prime. At the end of the week she canher wings from its founder, Rich-

> In these families, dysfunctional to the unsympathetic eye.

welfare, is cited as describing dominated by the need to appease social workers, joined a food co-operative. She eventually became its head. Others served in local voluntary organisations, helped people even less fortunate

> Britain's big-government schemes, such as its workfare one in Easterhouse. Employers back away from applicants with intractable among them, bigger welfare bandouts may be an

I say this as one who argued in favour of "welfare to work" workfare in plain English -

its own. In the 1970s and 1980s, Old Labour regarded it as a flendish invention of the American New Right.

In truth it is nothing new. The Beveridge report, which laid the fare state, was based on the assumption that applicants for taxpayers' money should be prepared to work. Mr Blair's adminthat retraining should be

accepted if no job is on offer.
Easily available, means-tested financial support creates dependence. The American invention of "tough love" - cutting benefits after a specified period of time - should eliminate the moral hazard implicit in any welfare system but it is too tough

day," writes Anits, a widowed reports. You might think there is nal, and the rest. Charles dren is ever-present. While her Labour adopted the strategy as left with the problem of how to give succour to Carol, Bill, Erica. Anita, Denise, Penny and Cynthia, each one a special case.

> can best be helped by the right resident in Easterhouse, local volunteers, or members of peighbourhood self-help associations.

relief, some of whom contributed lished by the Institute for Public Policy Research (available from Central Books, tel: 0181-986 5488) of the prime minister's endea yours. Now, where did I nut that

* Faith in the Poor, Lion Publish-

Lunch with the FT

Lord of the elves with a passion for the abstract

Sir Anthony Caro gives Nigel Spivey a sneak preview of his work in progress. At first sceptical, he is won over

cavern in Cam- and wood. den Town, redolant of sweated labour in a lifelong preference for acting as

and wreckage of railway sleepers lying around; the boss, in a remarkably striped shirt, surveying the scene with proprietorial satisfaction. The clang of hammers on metal, the screams of some abrading drill. He looked over the scrapyard and saw that

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"So this is where you spend your hours - this smithy?" "Me? No. This is where my elves work."

As if on cue, an elf hove towards us. All oft 4in of him, in brown overalls. There followed a brief but intense exchange on a delicate point of welding technique, and the elf lumbered

"Come," said the lord of the elves. "Let me show you my little domain."

In an adjacent office there was an architect's desk. On the desk stood a phalanx of dinky maqueties tiny timbers, ministure folds of steel, all neatly assembled, with masking tape and glue, into matchbox masterworks. Here it was quiet. Here was where one of the world's great sculptors devises in prototype the traggy monuments which adorn Paris, Dallas and

At 74, Caro might be pardoned for recruiting giant elves to execute his heavy work: so often his

stood in his pieces seem to have emerged London studio: a from a trial of strength with the grimed brick staunch elements of steel, clay-

But he chestfully admitted a visionary modal-maker. "Tack-There Sir Anthony Caro might ing" is what he calls it. So my wandering into the restaurant with hair clagged solid in marble dust, and fingernalls harbouring decades of grime - were disappointed

> The polychrome striped shirt (from New York, a city to which Caro was given the keys in 1976) was no substitute for Michelangelo's notorious rags, or Rodin's plaster-encrosted smock.

And the restaurant (his choice) hardly Bohemian. In a mews off Bond Street, Kaspia is a caviar house, where a threefigure reckoning is bard to avoid. Waiters, who in former lives surely served as blood-spilling Cossacks, prowl around to dispense lethal shots of cool vodks. Bison Grass was tipped into our glass thimbles; the dapper sculp-

for took an appreciative snort. "Nice here," he observed. "They send you out without feeling stuffed." He leaned over and lowered his voice. "I once saw one chan in here - must have been a Russian - with the most amazing entourage of girls. You know. Hookers of the highest

If there was a rating of conversational lubricants, Bison Grass would score highly. At the outset, I announced gossip off the menu, and an agenda of strenuous interrogation: we had, after all, to justify the caviar and

extravagance one might expect in

an oil-rich sultanate of just

260,000 people. The city centre is

a clutch of renovated Chinese

shops cum-houses - cramped liv-

ing quarters above the family

grocery or business - and a humble shopping mall. The tall-

est building, a simple cement

block, rises about 12 storeys and

looks out over hundreds of tinv

wooden homes on stilts over the

At low tide, the water disap-

pears from under the homes,

where a doll lies disconcertingly

face down in the sand, her pink-

stockinged legs bright against

the discarded rubbish, plastic

bottles and cans that litter the

land below. Despite government

efforts to move residents into

modern cement flats, about 30,000

prefer the easy lifestyle above the

Brunel river.



Anthony Caro: There are abstract artists ... whose work is out there and it means nothing to me, There are others ... whose w

In the and, we chatted too much, and too well, finally hailing a taxi to head for the studio. But from this unaffected gamins

I record some chlightening tabletalk. Enlightening, that is, to those puzzled by modern art in general, and abstract sculpture in

Caro made his international reputation in the 1960s as an abstract sculptor: His last exhibition - at London's National Gallery - was of works directly derived from non-abstract paintings; Van Gogh's picture of a chair, for example.

Caro's work seemed increasingly to be including references to real objects. Was this a compromise? Would be now admit the language of abstraction. strictly speaking, had collapsed? To a man raising a first forkful of caviar to his lips, these inquiries were perhaps unduly strenuous. Caro lowered the fork.

"Hmm. That's a stinker." "I mean," I hastened, "in your Deposition from the Cross there is a ladder. Plain for all to see - a proper sturdy ladder. In the sculptures you did of the Trojan

salmon and Bison Grass as fuel. War, there were spears, shields, helmets. Very belpful - for those trying to match a title to a work of art, and grasp a meaning."

Caro was nodding, and looking pained. "But I've never set out to alienate the public," he pleaded. "There are abstract artists, Barbara Henworth, for example, whose work is out there and it means nothing to me. There are others - Rachel Whiteread is one - whose work leaves me quivering. Mozart is an abstract musician, isn't he? Abstraction is the

> effort of paring down." "To pure simplicity?" "No. To clarity. That's why scale is so crucially important in abstract sculpture. But you talk about grasping a meaning. What is more meaningless than the style of all those bland civic and commemorative statues we have

> He paused. "Anyway," he added, "I started out with very figurative work, when I went to Henry Moore."

> "Tell me about that." "Must I? I'm sure everyone knows. Whereas I want to know what you think about abstract

Sorry. That's entirely by the

drove to Moore's studio. He said, steelworks in Veduggio?" 'You could have phoned'. Then he took me on for a two-year, part-time apprenticeship." Was it hard to get started?

'That's why scale is so crucially important in abstract sculpture

Parental disapproval, presum-"Not so hard. My father was a stockbroker and he considered all

artists as dilettanti, but he never disowned me. I always had that family cushion of money." And you did a sensible degree, I observed. Engineering at Cambridge. Could have qualified you as a plumber.

"I get on with angineers," conway and of zero interest to our feesed Caro. "Or rather, I admire and learn from experts in materi-"Well. All right. It's simple. I als. You might know I was once a got into my Morris Minor and sculptor in residence at an Italian

> Really "in residence"? "Enough to be a nuisance to the foreman, at first, Then they got used to me pottering about. The light's quite different when you're working in a factory. There have been similar experiences elsewhere - at paperworks in West Chester, kneading grogs

of clay with a master ceramicist down in Grasse." Why is that so important? What was wrong with traditional marble and bronze?

"Nothing wrong at all. Like Henry Moore, I came to ancient Greece late in life - 1985, to be precise - and I found it overwhelming. But sculpture is an art that demands reinvention, over and over again. There are figures I refer to and defer to constantly. Donatello, supremely, but of course I believe in an artist's right to independence. Much of what is popularly deplored in modern art comes from the interference of planners."

Bison Grass is an emboldening spirit. As we turned from fish roe to graze on a bowl of explosive wild berries. Caro pressed me for my own reservations about abstract art. I gave him a (ingerwagging bomily on the failure or unwillingness of abstract artists to attempt to convey human pas-

sionate experience. He listened with surprising respect. By the time I finished he was palpably excited. He thumped the table.

"Look. We must go. You must see the work in progress. We are not at odds on this."

in 10 minutes, we were at the studio of the busy elves. There is a sequence being put together under the title, "The Last Judgment". From Caro's dainty models, genuinely imposing forms are being hammered into permanence. They will be exhibited and

written about in due course; we

will learn how they relate to Bos-

nia, and in turn the Holocaust. This is not the place to steal a revelation. I simply admit I was wrong about abstraction; and predict this work in procress will be saluted as Caro's crowning achievement.

t is Friday night at Brunei's free amusement park. The attendants are at their posts, the state-of-the-art rides are waiting and music drifts out in the warm atr. Yet the park is eerily empty.

Some of the heart-stopping rides require at least two people to justify the wear and tear of running them, but it often takes well over an hour to find a willing partner. It is the Disneyland queue in reverse - here you are waiting for people to join you, not to clear away from in front. As for the roller-coasters - they require a minimum of six passengers, so getting on them can turn into an all-night affair.

The rides stop five times a day for Moslem prayers and the dress code is severe - no sleeves, no amusement. For some immigrant workers, Jerudong Park Playground is the only place to have fum in Brunei, but the locals are not as enamoured with the rides. Money has bred apathy. Generous oil deposits made Brunei's ruler, Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah, one of the wealthiest men in the

be bothered even to have a good Brunei's capital, Bandar Seri

world - but his subjects cannot

Dispatches A people with no fear of falling

Some of the planks connecting

bomes are split. Yet only fire

allowed to rebuild on the river.

They have lived this way for cen-

turies and see no reason to move.

basic needs: medical care and

schooling for all and housing for

civil servants - 11 of every 100

people. The safety net is so wide

that diplomats say Bruneians do

not worry about falling. Some see

no reason to step on the corpo-

The labour force is well edu-

cated and those at the top are

bright, though the people are

rate ladder.

The government provides their

forces Bruneians into govern- nei Shell, the joint-venture oil

Brunei's oil riches are not reflected in progress on the ground, writes Sheila McNulty Begawan, is not the gilded out to the homes is rusty, and neians and yet plenty of jobs: that has been at construction parts of it are disintegrating. everywhere, Filipinos work as projects. The government is con-Singapore dollar, has depreciated waitresses, cooks, drivers and

> ment-built homes: they are not and gas group exploiting the sul-That's where the amusement Brunei's capital is not the gilded extravagance one might expect

> > tanate's riches, funds this welfare mentality, the country is often dubbed a "Shellfare state".

largely unproductive. Most want to work for the government, with "We need, perhaps, a more its all-encompassing benefits and competitive environment," says lighter workload, or they do not Selamat Munap, deputy minister want to work at all. There are of finance. "You have to try to The metal fence on the bridge about 5,000 unemployed Bru-

economy.

park comes in. It is the biggest necessition. attraction in a country eager for tourists. It invites them to use the deserted park and urges them to explore the unspoiled forests. But visitors are kept away by the ban on alcohol sales and even the dress code at the mosques and amusement park. It is hard to move around as nobody wants to be a taxi driver. For several months in each of the past two

from forest fires in Indonesia. sis might present an opportunity for Brunei, which wields little clout, even in east Asia, to raise draw the line somewhere." So far its profile by investing abroad.

years there has been another rea-

son to stay away: thick smoke

The Brunei dollar, tied to the sidering privatising its services in line with that currency, but construction workers. Since Bru- and wants to diversify: oil and has held its value far better than gas comprise one third of the neighbouring currencies. Bruneians now cross into Malaysia to buy milk and other cheaper

> small businesses, it has almost advanced infrastructure for highno impact on the economy. The technology research and developcountry earns US dollars for its ment, Brunei uses the word techoil and gas, which constitute 90 per cent of its exports.

> Amedeo, the Brunei-based con- tool-making. struction company of the sultan's brother, Prince Jefri Bolkiah, and having money excuses them from his subsequent removal from key progress. Even the streets are positions of power, has failed to neglected, cracked and with holes stir the populace.

Diplomats point out that the they have no right to question be too upset as long as the royal- nowhere.

ties from Shell continue flowing. And they know the sultanate cannot be in too serious trouble if it is quietly seeking to capitalise on the crisis. "Brunei is not unaware of the plethora of investment opportunities, many at bargain prices," Selamat says. "Like everybody else, it is scouting around."

It will clearly get more for its money if it invests overseas. Meanwhile, at home, the Malay Technology Museum, despite its name, sums up how little Bruneians have progressed relative to their neighbours. While Singapore connects its country to the Although this hurts Brunei's internet and Malaysia builds an nology in its most primitive sense. The museum features but Even the recent collapse of and boat-building, fishing and

> It is as if Bruneians believe left by ripped-up drain gratings.

This is what makes the monu-Yet the region's economic cri- people do not pay taxes, and so ment marking the billionth barrel of oil produced so important. where the sultanate's money is Without it. Brunei might easily going. In any case, they will not be mistaken for the middle of

PERSPECTIVES

Where the people wait for things to change

They are free to leave. But Burmese refugees in Thailand know they must stay put. Justin Wintle visited a camp

the jungle, and within a bullet's fire of the Burmese border, was Karenni Refugee Camp 3. Only in Thailand, I thought, could tourism and a war zone cosy up quite so provocatively.

All four Karenni camps, which shelter Karenni people displaced from Burma, were out of bounds to foreigners. But someone had given me Doh Say's number. Doh Say worked for the foreign mini-Mae Hong Son, once a nothing frontier town, now a fashionable hill resort.

For a while, I sat by myself, waiting for him in what I hoped was the right mid-town cafe. Then a slightly built fellow in his mid-20s slipped like a shadow through the street door. "Let's not hang around here," he said. "Til take you to my office." I was struck by Doh Say's near-perfect English. Like most Karenni, he was Christian, and had been educated by missionaries.

"Our presence in Theiland is unofficial," he warned. "So all the time we must watch our

I took his point. The Thai gov-ernment's attitude towards refu-gees from Burma is that they are a burden to be endured. If Bangkok ordered their mass repatriation, it would be disastrous.

Doh Say switched on a fan and produced a bottle of water. Then he briefed me. The Karenni, he said, were one of the smaller of Burma's significant minorities. with a population of around 300,000. They were often confused with their larger neighbours, the and Abel Tweed. These welcome Karen. But really they were a additions to my schedule threatdiscrete people, and their claims ened to wreck it, however. I had

to independence well-founded 1885, they had their own rulers. by some or other security agency. During the second world war, and had therefore arranged to fiv they had fought alongside the out of Mae Hong Son at midday. Allies, and when the British left in 1948, Karenni self-rule should have been reaffirmed. But successive regimes in Rangoon wanted Karenni State to belong to the Union of Burma. So the Karenni

had turned to insurgency. It was the same story with other minorities, for example, the denly, we were there. Wedged Karen, the Shan and the Kachin. Thus, for 50 years, Burma has been a seething cauldron of armed conflict, complicated by drugs trafficking, an attempt by Beijing to foster a communist revolution and, at one point, the arrival of a remnant Kuomintang

who stands between the generals

was the eeriest juxtaposi- and the country's considerable tion. In front of me two natural resources is simply Padaung Giraffe women brushed aside. Or rather "reloposed for my camera, cated". Throughout the minority Beyond them, a mile into homelands, villages are being destroyed and their inhabitants corralled into forced labour.

There have been many, many killings. Hence the refugees. But even in Thailand their safety isn't assured. Every refugee camp is close to the border, and the dreaded Tatmadaw - the Burmese military - regularly comes across on punitive raids.

After telling me how the Karenni government was struggling stry of the Karenni government- to keep a force in the field, Doh in-exile. He agreed to meet me in Say said he would try to get me into one of the camps

> ficult, but we must go by motorcycle. Bring your camera. If it works out, I'll collect you at 7am.

"Camp 3 would be the least dif-

Nothing at Camp 3 fulfilled my expectations: no guards, no concrete, just a sprawl of shacks

showed up at breakfast. The only way to get to Camp 3, he now explained, was through the Padaung tourist village. Therefore, I must pose as a tourist.

me to meet the Karenni prime and foreign ministers, Htebupeh assumed that whatever precau Before the British arrived in tions we took I would be noticed

It hardly helped that the Kar-

enni cabinet lived far apart, for fear of assassination. But, by 10am, at last we were on our way. It was a 40-minute ride. To avoid checkpoints we turned off the main border road and stuck to dirt tracks. And then, sudbetween two hills were the Long Necks: around 20 women and girls, arranged on bamboo platforms under bamboo awnings. the youngest no more than five years old, each with a heavy, permanent coil of copper rings on their shoulders.

The first Padaung woman I saw was sitting quite still, with a arms, Rangoon's military junta is made-up face looking straight at me. With her too-colourful headdress and ethnic weeds, nothing



pulse quickened. Here was a rare, exotic beast, frozen in her predetor's glare.

Sugred the SS admission fee to the tourist village, I moved forward and began taking photographs. Little by little, the scene slipped into focus. The Padaung Long Necks were also refugees, and their "village" run by businessmen. The women and their families were clothed, fed and given a flimsy roof over their priceless heads, but enjoyed none

of the profits. "It reminds me of a Bangkok massage parlour," I mouthed.

"What are the colls for, anyway?" "Nobody quite knows."

"Bondage," I said. "Male domination. Doh Say frowned, then beckoned me to the end of the clear-

The path into the next valley was long and narrow. Nothing about Camp 3 fulfilled my expectations. There were no guards, no concrete, no wire-fenced perimeter: just a sprawl of bamboo shacks, with a central concourse that stretched perhaps another

quarter of a mile. Here, lived 3,000 displaced Karenni. The Thais were not putting

themselves in harm's way, although around each group of lock-up where provisions were huts a flimsy stockade had been

erected, to hinder marauders.

were free to leave. However, they risked being picked up by Thai police, or, worse, abducted by the Totmadate. So they stayed put. While their supplies came mainly from Christian aid agencies, they administered themselves. Food consisted of rice, fish paste, yellittle cooking oil and pitifully few chickens and pigs. Some had sub-

In the centre of the camp was a doled out. This also served two other camps, the nearest a 90-On the face of it, the refusees trek through the full heat of the

dignity to carry food. Yet, as I learned later, the men low beans, chillies, some salt, a were also exploited. The camps are regularly used as pools of

day. I passed several women bent

As well as the store-shed, there was a medicine hut, a couple of pump-wells, a scratch play-ground, a wooden school building that doubled as a church, and an

orphanage. In the makeshift clinic, I Today, the pallet-bads were empty, but as the monsoon gathered they would fill with malaria and dengue sufferers.

I took more photographs. Many of the refugees were intensely camera-shy, which was strange for south-east Asia. More in keeping with the regional character, very few of them seemed chronically depressed; oriental resilience in the face of misfortune unimaginable in the west.
"What do they do all day?" i

My question puzzled Doh Say.

Then he answered: "Wait for things to change. What else?" "Couldn't they make som earn some money:

"We have some handicrafts. but anything else is impossible. The Tatmodan would come and steal any machinery. And in any case..." And in any case, given the parious state of their own economy, local Thais didn't welcome competition.

I looked at my watch, We had exactly 40 minutes before my

flight took off. As we hurried back towards minute walk away. Since no one the Long Necks, I decided to use dared travel so far by night, my last two frames on yet neighbouring refugees had to another woman ferrying rice. She stopped, then reached for my hand. I thought she was asking double under the weight of 20kg- for money, but all she did was rice sacks; it is beneath a man's press her fingers into my palm.

"She wants you to do something for her," Doh Say said, "for all the Karenni people. Something much more than dollars." low-cost, even no-cost, labour for # Justin Wintle is completing near-by farms and construction "After Vietnam", a book about travelling in south-east Asia.



Christopher de Bellaigue finds Istanbul has been a ruthless discarder of early wonders

ollow Alpay Pasinii down first established by Constantine I, period, calls "the indifference of secular Turkey from the ashes of change their minds, council

Ottoman chamber, and heritage of imperial Istanbul. Istanbul's museum of archaeology further into the gloom, into late Roman chambers with squat limestone piers and chunky brickwork, and you will have journeyed from the 16th century

to Christian Constantinople. The Istanbul of the late 20th century dates overwhelmingly from after 1453, the date when Sultan Mehmet II of the Ottoman dynasty entered Constantinople in triumph, earning his popular moniker, Conqueror.

the Ottomans to that of the Byz-

antines - from Moslem Istanbul

For the past eight months, Pasinli has been burrowing beneath the congestion of familiar Ottomania that shapes the city's famous skyline

His lime-wet, cross-vaulted chambers, one of them animated by a simple fresco, he 100 yards south-east of Byzantium's greatest surviving achievement, the

church of St Sophia. Semavil Eyice, a professor specialising in Turkish Byzantinism, believes they were either inside,

or contiguous to, the city palace

newly excavated, vaulted from the Tiber to the Bosphorous and set up the first Christian

"At least five distinct architec-But accompany the director of tural periods are represented here," enthused Ryice, after touring the site on Wednesday.

This part of Istanbul, a sloping point of land washed by the Sea of Marmara, was a seat of imperial government from the conback to the 6th, from the seat of struction of its first acropolis, in around 600BC, until the Ottoman Empire's demise, in 1928. This might suggest there would be centuries of architectural coexist-

Above all, you might expect something of the enormous agglomeration of pavilions. churches and residences, known as the Sacred Palace of Byzan-

tium, to have survived. But most visitors to the area, now called after its largest mosque, Sultanahmet, are only dimly aware that Ottoman treasures lie directly on top of those of another great empire. The combined effects of earthquakes, subsidence and constant rebuilding have made the area a ruthless discarder of early wonders some of which Pasinli is now

Add this to what Cyril Mango, a leading British scholar of the

a flight of steps into a the emperor who shifted his seat the local Greek population to the Ottoman theocracy in 1923, chiefs regularly declared their their monuments", and it is hardly surprising that 19th century scholars drew on unreliable literary sources when deciding how Constantine I's palace

> Of the churches built inside his palace complex, only three - St Sophia, St Sergius with St Bacchus, and the basilica of St Irene - survive. The Ottomans turned the first two into mosques, and the last into an armoury. Other important remains were churned up when the later Ottomans were laying a coastal railway line, in

wo years later, a huge fire exposed many Byzantine remains, but a scheme not unlike Mussolini's grandiose plans for imperial Rome - to turn the area into an archaeological park - led

Today, modern development means that little more than the façade of one seaside structure remains visible.

Although the advent of Turkey's republican era implied the rejection of its Ottoman past, it did not stimulate a great deal of nostalgia .for the Byzantine empire that preceded it.

did reopen St Sophia as a intention to tear down what museum. And in the 1930s, British archaeologists unearthed some magnificent mosaics south now, the authorities have permitof Solianahmet - they now have ted the construction of an a museum to themselves. But the unsightly concrete platform losses have been numerous. Perhaps the most significant was human. In 1965, when

around 100,000 Greeks were evicted from the city, Istanbul severed its blood ties with Byzan-Today, only real Istanbullus, those rare indigenes in a fast-

growing metropolis of migrants, tend to express regret that their Greek neighbours have gone. "Whatever affection I feel for Mehmet the Conquerer," one Istanbultu told me, "I also feel for

Constantine the Great, If I had my way, they would tear down minarets flanking Aya Sofya [St Sophia]."

grown more pious. Some Islamists whisper that it is only a mathelped. ter of time before the call to prayer is heard once again from

It is futile to argue that these looks after its Byzantine inheri- pay for him to try to get around tance. Until they were forced to it. Kemal Ataturk, who founded

remains of the walls that once enclosed Constantinople, Even inside a fine Byzantine cistern.

Above all, it is little surprise that developers who discover fragments of Istanbul's Byzantine past while laying the foundations of modern spartment blocks tend to carry on building regardless. How, Eyice asks, are inhabit-

ants of Istanbul to develop a regard for Byzantium when their dreary town hall sits directly on top of an unexcavated Byzantine

This might help explain why many Turks have been uninterested in Pasinli's discoveries. His excavation was financed by a private bank and the site is leased from the government by a chain Such talk gets a hostile hearing of smart hotels - both of which, now that the city in general has at least, predict some commercial benefits from the kudos of having

As for Pasinli, he stopped disging when he ran into the foundation wall of an Ottoman palace of justice. It is to be hoped social and political currents have that the more enlightened elenot affected the way Istanbul ments of Turkey's private sector



TO Sail

BOOKS

Life given to one hundred years of Mexican history

Ben Vickers talks to Latin American author Carlos Fuentes, who believes his latest book will be his last

days this summer to relax headed for a quiet hotel on the Formentor peninsular on Mallorca. The short break from his man who rises with the Merican annual six-month stint in London has been dedicated to putting the final touches to his latest novel. The quiet at the hotel where he. has spent his time revising the 500 pages of The Years with ra Diaz has only been disturbed by a call asking him to become the new negotiator in the into her own and discovers her Chiapas conflict in southern Mexico, an offer he has declined, insisting that there are better people for the job despite his well-known concern for the Chie-

The conversation, however, as we have met to speak about books, centres around another decision he has reached. He has decided, at the age of 70, to strike a dividing line through his work, much along the lines of the parleagues, the decisive moments of Mexican history, which are so often at the centre of his parra-

"If I am satisfied with Laura Diaz when it is finished, I won't to that past when literature was publish anything else during my not being produced there, when life. What I write after this will even the importation of novels be left to my wife as a legacy, dead", he says confidently, sipping a glass of cava at a table on one corner of the wide terrace.

has drawn from his family his- try than he did in 1982. tory, his personal experience and the history of Mexico. It covers the century from 1868 to 1968. and curiously overlaps either end of the 70-year period covered by a to jumble up the sequences. In have been in urban society in previous work of his, The Deuth Laura Diaz there is something Latin America, which have previous work of his, The Death Laura Diaz there is something Latin America, which have of Artemio Cruz, which is one of far more interior to the history of resulted in women taking more his most read books, originally the country. I can follow the assertive roles over the last 25 to published in 1962. Fuentes is well chromological order because it's a . 89 years, have produced a new aware that this is not the only far more personalised history of generation of young women writ-

He himself has described Arte-

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Carlos Fuentes years, and does it reflect changes was an outstanding young poet has set aside 10 in Mexican society or even in the and essayist who died of typhus market?

man who rises with the Mendan "Maybe in the case of Laura Revolution, and makes his power Disz I am transposing this to a through politics and busine and who becomes a big tycoon. It Diaz, who is a woman who comes from the provinces of Mexico and who has family and love affairs, deaths, births, and finally comes

'Laura Diaz' . . . is definitely a counterpoint to the Mexican macho view of 'Artemio'

reason for living in her 80s". Carlos Fuentes has long believed Latin American writers face the great challenge of giving life to the past of their countries, from Spain to the Spanish colonies was forbidden. Indeed, the Fuentes' work. However, looking back on Artendo Criz, Fuentas says that he has now achieved a To write Laura Diaz, Fuentes much richer history of his coun-

'In *Artemio* the themes were so obvious, so apparent. You could events, and that was why I had

exican writer intended counterpoint, after 36: brilliant young uncle of his, who at 21. Fuentes was named after "It is definitely a counterpoint. htm, and says he has always felt To write Artemio Cruz I had to that it was his right and his duty take the point of view of the Mex- to accomplish what his uncle had

> because she gives reality to the is another world to first of Laura. Tives of those she has lost along the way", he suggests. Having said this, he is quick to point out that there are a number of women who have played a spe cial role in the composition of the female answer to Artemio Cruz.

"The best novellists in the world are your grandmothers. fiction into your head. They tell you the best stories when you are a child. They remember things that no one else will remember when they die. They take you back a generation or two, which

based upon conversations Fuentes had with his two grandmothers, and the book starts three ring-adomed fingers to a machete wielding bandit she fell in love with

"In countries like Mexico which has a triple inheritance of Spaniards, it is most important to define the values of womanhood. As I come from a family of very courageous grandmothers who were widowed early. I know what ing to keep their families going".

ers. Fuentee refers to this devel-

The enormous changes there



professions, communications, fly, so they have a big role to cerned, Fuentes says his impres-The parallels between some opmant, which came after the and in business. The changing play, perhaps an even more sion is that it is basically women groups across western Europe aspects of the life of the novel's so-called "boom" of Varges Lloss, role of women in Latin America important role than women who who read novels in Latin America, although mic Cruz as very machista, and main character, Laura Diaz, and García Márquez Fuentes himself, in Loura Diaz and others, as the Boomstang.

The rear with Laura Diaz, Fuentes is confident only the life there. This change still has to have. The presence of women in which will be launched in Mexico twist at the end will cause any book through the eyes and about strong. Fuentes admits that he "Across all of Latin America, come in our rural society, but the civil society is what keeps it next spring, is the book Fuentes such group more trouble. But he the life of a woman. Is this am feels in some way the heir to a you see the smargence of woman women there are the ones who

says he has been waiting all his is not telling what it is.



Travels through a land of anarchy

viewed as rich by their

they cross the border.

Carver says robbery.

generations. "However much

aid and money were poured

into Albania, they would

collapsed. Everyone was at

condition. Carver's tirade is

war with everyone else."

While there is no doubt

Albania is in a perilous

not entirely convincing.

Scarcely anyone merits a

workers are naive and self

serving. Diplomats are not

against advice, on driving up

much better. A Greek

embassy official insisted,

from Athens without an

armed guard. Held up by

always end up being

plundered when order

compatriots, are regularly

The author found Albania sunk in unremitting poverty, violence and corruption, writes Kieran Cooke

T nver Hoxne was like most tyrants, peranoid. He employed a double to fool potential assassins: the man, a dentist from northern Albania, was taken by the Sigurimi, the secret police, to Tirana and forced to undergo plastic surgery. He was fattened up like his leader and even given lessons in how to annear cheerful after being hit by a bullet, so as to allow the real Hoxha to rise again.

When Hoxha died and communism eventually collapsed, the double tried to take refuge in the compound of a western embassy, only to be attacked by fellow Albanians frightened by the ghost of the dictator. Subsequently, the unfortunate dentist attacked his own face with a knife, patting out one of his eyes. · Robert Carver spent three months travelling from the

south to north Albania. a

country the size of Wales

which for years was untouched by the outside world, hidden behind a Stalinist wall. Curver paints a thoroughly depressing picture of a land sunk in poverty and in a state of near anarchy.
"In the small, ruinous

towns of broken, filthy

houses we passed through, crowds of listless people stood banging round hopelessly in the streets: there were no shops, no kiosks, no cafes, nothing . . . I had known it was going to be bad, but I hadn't appreciated that anywhere was quite this bad. I felt I was in a vile dream which it was

impossible to get out of."

Anyone with any money to bribe officials or buy counterfeit visas and passports has left. Those with qualifications who might have helped rebuild the country were either murdered during the Hoxha years or have been

exiled to remote villages by a government suspicious of anyone with an education.

Albania is an extremely violent country, riven by tribalism and plagued by the cult of hakmarre or revenes killings between different fis

THE ACCURSED MOUNTAINS by Robert Carver John Murray £18.99, 337 pages

or clans. Following the looting of police and military arsenals last year it's estimated there are four million automatic weapons in the country - more than one for every man, woman and child.

In the mountains of northern Albania arms stored away since the second world war are oiled and readied for use in the battle against the Serbs and for settling old blood

Ethnic Albanians fleeing bandits, he eventually the Serb onslaught in walked into his embassy in Kosovo are finding out just Tirana wearing only his what life is like in their underpants and socks. "homeland". The refugees,

The natives anger Carver most. They are irresponsible, arrogant, lazy, congenital robbed, sometimes killed, as thieves, the lowest of the low. Sweeping statements are made, moralising abounds. murder and rape have been characteristics of Albania for

"I had realised within a few days of arriving in Albania that nothing would ever be done to clean up and rebuild the country, because that was always and would always be someone else's job. No one took responsibility for anything. Everyone liked to talk politics, but no one would ever actually do anything to change things; to speak of reform, repair, replacement was to have achieved it. The Albanian intelligentsia lived in a cloud of glorious rhetoric in which problems were the fault of others. I disconcerted them most by

being concrete."

Albanians is they keep taking advantage of the author - making him pay for meals and beers, totally ignoring the stringencies of his \$10 per day budget. Yet these same treacherous people show Carver a great deal of hospitality and warmth. They risk their lives to ensure his safety. A guide who has to suffer two days of the author's pontifications and who tends him when sick is grudgingly paid. Snide remarks are made about a British diplomat who takes time to brief the author - and buy him lunch.

The worst sin of the

There is much in this book that is fascinating. The author has undoubtedly taken risks in his travels and has a good eye for the surreal, of which there is plenty in Albania. However Carver's contempt for his subject is hard to take ultimately he comes across as being too clever by half.

novel: read it while travel-

ling, cooped up like a battery

Fiction/Brian Martin

A fine sense of time and place

lan Hollinghurst appears once in his novel, like Hitchcock in one of his films: on Hampstead Heath "he saw a sympatheticlooking man with short grey hair and a darker goatee turn purposely down a path ahead of him." You recognise the photo on the dustiacket.

The Spell is brilliantly written. Hollinghurst's sense Night Dream. of place is exact and he uses language precisely, which is shown as early as the second of pages (perhaps, the paragraph of the first page, and immediately in the description of the Blue Coy- interest to those concerned ote, the bar without windows rather than the other myth and to social workers. way round. He is a master of metaphor: Alex, the lover of Scottish patois, "The least young Danny, "didn't study oot the ordinary thing, the curling snapshots too ye're aye thinking this is closely for fear of cutting the ane, this is the fucking himself on the grins and ane, this is it". Both books glints of Danny's world".

has as narrow a locus of the subman's 20 short stories, The too good to remain the subman's 20 short stories, The too good to remain the subman's 20 short stories, The too good to remain the subbird kisses of that sweet

Good Times. Hollinghurst's ject of Queer-Theory: he has
get to good to remain the subbird kisses of that sweet

Freud, Klimt, Schiele, Goya,
The control of the subman's 20 short stories, The too good to remain the subbird kisses of that sweet

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Freud, Klimt, Schiele, Goya,
The control of the control of the subman's 20 short stories, The control of the subbird kisses of that sweet

Freud, Klimt, Schiele, Goya,
The control of the contro Good Times. Figure male to get out of the ghetto. mouth, and that his step Bacon and many more. The novel, too. André Alexis rings. He observes the four books. It is a holiday

different codes of Boyz or Llosa's The Notebooks of Don Gay Times", whose love-plot Rigoberto has excessive is as involved as that of the quartet in A Midsummer's Kelman's bleak short sto- enjoy themselves in New ries, one as short as a couple York, Venice, Paris - at La of pages (perhaps, the Coupole, or La Marquise de shorter the better), are con- Sévigné at La Madeleine.

fined in a similar way, of with Glaswegian urban rary remedy - flight into the They are written in a semihave the same narrowness Hollinghurst is a very lit- that religious poetry has: has seduced his adolescent erary novelist, but The Spell they appeal only to their son by his first wife. Given Vargas Llosa to be tedious in has as narrow a focus as Kelder devotees. Hollinghurst is fair that the boy, Fonchita, is a his showing off his know-

homosexuals, "used to the

range, and at one point recommends, self-indulgently, how the wealthy, might Vargas Llosa reminds us that "fiction is only a tempo-

imaginary which emends

By contrast, Mario Vargas

Don Rigoberto's notebooks are a blurred combination of for seduction is the other fact and imagination. His quest is to settle his relationship with his separated secand wife who, he suspects,

THE SPELL by Alan Hollinghurst Chatto £15.99, 252 pages

THE GOOD TIMES by James Kelman Secker & Warburg £14.99, 256 pages

mother's maidservant remarks "there's something about that boy. I don't know what it is but it fills your head with sin", the initiative way round: added to which Fonchita is addicted to the revealing art of Egon

Schiele.: . There is an inclination for

THE NOTEBOOKS OF DON RIGOBERTO by Mario Vargas Liosa Faber £16.99, 375 pages

CHILDHOOD by André Alexis Bloomsbury £74.99, 256 pages

SUMMER THINGS by Joseph Connolly Faber £9.99, 336 pages

magic just works. Pretentiousness recedes and, carrying the reader with him, Llosa succeeds in escaping the tiresome reality which be would have suffered had he been elected president of

presents, in first person sin- banality of personal relationat least, some Québecois.

Tom's mentor: he might, or mother's version of this

might not, be Tom's father. story, and, even more so, Alexis writes well when he Henry Wing's. is not making schedules. He Tom is a Heraclitean.

schedules; and you need another. That's not to say first fart..." Childhood has black with some Chinese from his confessions that he and enjoy it. blood, who, an aesthete and can be a liar, cheat and thief. private scholar, becomes if only we could read his

describes Tom's mother, "I "You can never step in the remember red lips, and an same river twice". Thus,

chicken, in a jumbo-jet: it will make you laugh and take your mind off the food. Connolly sees the funny side of things, a shaving mirror, "circular and chrome ... normal on one side, lunatic on gular, his hero Tom's ships, "Getting used to sharp the other." At the beginning, account of his early upbring- to enails and flatu- young Norman is explosively ing. It is a novel of notes, lence... takes time to accept seduced by his employer's footnotes, lists, timetables, in oneself. let alone in very forward, teenaged daughter. He is admonished some French to survive, or, that I fall out of love at the by her later, "Norman. The word glinted like anthracite Tom has an errant mother, scope and makes the reader before fading back into Katarina, and is reared for a think. The art of writing is black." This is a comedy of time by his strict grand- difficult: "Two words for- suburban manners, "Why be mother. Eventually Katarina ward. One word back. I'm sweet when the sour option's reclaims him and together surprised how arduous it is going?" It is outrageous. they proceed to Ottawa to to write." But how reliable is racy and raucous. Do not live with Henry Wing, a Tom as a narrator? We know take it seriously: sit back



necorati

Opportunist gets his just deserts

Frederick Studemann on the vain, arrogant financier who rescued the Weimar Republic and ended up in the Nuremberg dock

Schacht was one of the bankers in history. A the credit for the rescue of Weimar Germany from the hell of hyper-inflation and in the process became something of a folk hero at home and a respected figure in international financial circles.

A vain, arrogant and politically ambiguous man, he later offered his support - and with it, credibility - to the Nazis. His reward was a seat in Hitler's rubber-stamp "cabinet" from where he managed the revival of the country from the Depression and laid the economic ground-work for military rearmament, only to fall out later with the Nazis, who imprisoned Schacht in a concentration camp.

In the space of just 20 years Schacht went from being a prominent fixture on the circuit of international conferences in the 1920s to sitting in the dock at the Nuremberg trials of German war criminals. While many of his co-defendants went to the gallows or to prison, Schacht was among the handful who were acquitted.

But unlike many of the industrialists who also stood trial at Nuremberg and later revived their careers at some of Schacht's own efforts to secure a posiadviser were rebuffed.

Instead he spent the rest of his working life dabbling in private banking and dispensing advice to governments in what was then called the Third

All this offers rich material for a biography. Sadly, John Weitz has offered a half-baked effort. Alongside some irritating plain factual mistakes, the book is marred by an apparent over-reliance on one particular source: Schacht himself, whose apologetic memoirs seep through on almost every

That said, the book does give a sense of the ambivalent nature of its subject who epitomised the contradictory. opportunistic and negligent ways of many of Germany's senior officials, soldiers and industrialists in the first half

l ood and sex are so

closely connected.

according to the

French gournand

Brillet-Savarin, that a delicious

flesh. He recommended a decent

interval between the two events,

perhaps a restorative nap, but he

meel often stimulates en

appetite for the other sort of

satisfied diner would awake

with "a secret fire ... aliame

in his breast", turning to sex

as enthusiastically as his supper-

best-selling author of The House

Her new book presents itself as

This is certainly a view shared

of the Spirits and Eva Luna.

"a multi-cultural history of

seduction through food, ancient

and modern stories about sex

and eating, titiliating recipes

and tantalising revelations

of the author's own sensual

- she was born in Peru to

California - suggests she is

widely and now lives in

qualified to write about

odyssey". Allende's background

Chilean parents, has travelled

food in many different settings,

drawing on personal experience.

She reveals in the opening

always associated her lovers

with some special food. "The

most intense carnal pleasure.

clandestine, rumpled bed, a

laughter, and intellectual

baguette, prosciutto, French

cheese and Rhine wine," she

treasures of cuisine, a particular

man materialises before me, a

persistent as a beloved ghost, to

It has to be said that the book

ignite a certain roguish fire in

writes. "With any of these

long-ago lover who returns,

games, has the taste of a

perfect combination of careases

enjoyed at leisure in a

pages of Aphrodite that she has

by Isabel Allende, the

permanently marked by his position as an outsider. The son of a Danish countess and a Frisian school-teacher, he hailed from financially modest and socially insecure circumstances.

A certain distance towards Germany was engendered by his parents' fascina tion for America, where the couple had lived before Schacht's birth. (Deep admiration for the liberal New York politician and journalist Horace Greeley resulted in their son's unusual

Starting out as an economic journalist, he quickly made a name for himself

> HITLER'S BANKER by John Weitz - -Little, Brown £18.99, 361 pages

as a trenchant critic of cartels. By his mid-20s he cashed in on his reputation and became head of Dresdner Bank's press department. Within five years he was a director, responsible for the bank's economic policy.

Schacht's finest hour, however, was to come in 1923, five years after the end of the war which so damaged his generation's belief in Germany's importance and grandeur. The currency was in free-fall, the Ruhr industrial heartland occupied by French troops and political tion as government or central bank street violence a daily occurrence. Few people were prepared to take on the role of chief inflation fighter and the job of Reich Currency Commissioner fell to Schacht, a liberal who supported the republic, only after others had

> Once appointed, he set about his task. with a mixture of rectitude and resolution, beginning with a deak in a caretaker's office of the finance ministry. From there he replaced the worthless Reichmarks (several billions of which were needed for a lost of bread) with the new Rantenmark at a rate of one trillion to one. The new currency was pegged to the dollar at its pre-inflation-

His efforts helped give Weimar a few years of apparent stability, though as

Schacht himself seems to have been. When the creditors came calling, the republic went into a tailspin from which only extremists profited.

Schacht's own drift towards the Nazis was a gradual affair. In 1938 he resigned from the Reichsbank after a series of run-ins with the government over reparations, in which he accused Berlin of caving in. More a conservative nationalist than a national socialist. he recognised the power Hitler was attracting while still retaining a sniffy

The latter did not prevent him from accepting Hitler's offer, in March 1933, to return to the Reichsbank. It was an appointment that, while not clouded in affection - Hitler resented the arrogance and reputation as a reactionary of Schacht, who also reflised to join the Nazi party - benefited both sides.

Hitler got an economics expert with an international reputation; Schacht got power and a chance to return to his old tricks of fiddling with Germany's foreign debts, and using all manner of mechanisms to harangue industry at home and lure money out of the hidden reserves built up by companies.

Schacht excused his new position through criticism of the Nazis in private, and by standing up to Hitler in person. He claims to have constantly spoken out against the treatment of the Jews, but more out of concern for the effects this might have had on Germany's reputation abroad.

The solit came in the late 1930s when the fruits of Schacht's efforts were being deployed in building up military power. A threat to resign from the Reichsbank over increased spending was readily accepted, though Schacht retained the meaningless position of minister without portfolio until 1943.

He was arrested and imprisoned in the wake of the July 20, 1944 plot. Schacht was not one of the plot's ringleaders or even key supporters. But like many of those more closely involved, Schacht had done much to aid the rise of Nazism and the expansion of German military might.

While he may have treated the "Bohemian corporal" with the disclain he also dealt out to waiters or bell-Schacht himself was quick to point out, hops, Schacht was ultimately the sermuch of the prosperity of the late 1920s want who depended on Hitler's patron-



Sensual odyssey provides a feast of pretension

has been translated from the original Spanish, and something may have been lost in the process. But these sentences with their characteristic combination of vagueness and hyperbole, give fair warning of

what is to come. One of the keynotes of Allende's book is a series of coy references to her sexual gauged from her account of

APHRODITE: A MEMOIR OF THE SENSES by Isabel Allende Flamingo £16.99,

attending a lecture by a "celebrated gurn" who instructed his audience to spend 20 minutes eating a grape. Allende has tried to apply this technique to other foods but "I find it impossible to keep anything in my mouth for more than a few seconds. I'm referring to food of course. I have more patience with other

When she isn't working at establishing her credentials as a seduciress. Allende engulfs the reader in a sticky mess of anecdotes, myths and

the book that "I intend to approximate the truth, but that will not always be possible should be taken seriously. What, for instance, are Knatish readers to make of the following spell for trapping an elusive lover" which is "still practisedin rural areas" of Great Britain? The woman kneads flour, water, and lard, sprinkles the

dough with her saliva, then places it between her legs to endow it with the form and savor of her secret parts. She bakes the brand and offers the loaf to the object of her

Further on, Allende promises recipes for "the smooth paste of honey and ground almonds that Cleopatra's Inchy lovers licked from her intimate parts, in the process going out of their health-conscious, modern recipes

which contain fewer calories and cholesterol. If there is something depressingly enerotic about the notion of low-fat aphrodisiacs, it is as nothing compared to the stupefying effect of Allende's over-seasoned prose.

Describing a meal cooked by her literary agent, Carmen Balcells - the book operates like an interminable party, at which

Allende insists on introducing the reader to her friends and relatives – she serves up this incomparable feast of pretension: And we cat until our souls rise up sighing and the most hidden virtues of our wretched humanity are renewed as that essed soop seeps into our bones, sweeping away with one stroke the fatients of all the the road of life and restoring to us the uncontrollable sensuality

he sections on individual foods, such as cheese, are bafflingly. under-researched. revealing that Cheddar is popular in Rugiand, Parmes and Gorgonzola in Italy. What all this has to do with see is not clear and the recipes, supplied by Allende's mother, depend on flat assertions that a particular ingredient has aphrodistac properties or a suggestive title. Rather than inflaming the blood the lists of incredients for disher like "artichoke whisper" mostly gelatine and evaporated wilk - seem designed to curdle

It did occur to me that Aphrodite might be an elaborate houx, a satire on the most precious kind of food writing. This possibility is supported by he credits, which list a creative director and designer, and by its dedication to "frightened man

and melancholy women". Sadly, though, I concluded that Allende is serious. What the has not realised is the drawbacks of the magic realist approach, popular with Latin American novelists, when it is applied to real life rather than

symmetry in British polities in the 20th century. In the early years of the century the Liberals were at the height of their power as a reforming party. The Labour party was on its way up, but was divided. about how far it could achieve its ends by parliamentary means. on its way down.

here could be a certain

Two world wars, several economic crises and some electoral reform intervened. The wars brought coalition governments. The result was that the Liberals declined, while the Labour party became steadily more respectable and committed to the constitutional route. After the election victory in 1945, Labour was at its apogee with its welfare reforms. Then the Conservatives came back and in the Thatcher-Major period it became fashionable to describe the 20th as the Conser-

valive Century. 'Close to the end of the century, however, it is doubtful whether that thesis stands up. The Labour party, admittedly slightly renamed as New Labour, is back in office. The Liberals, renamed as the Liberal Democrats, have not disappeared and have 45 seats in the House of Commons. It may be that it is the Conservatives who should be worried about the threat of extinction.

David Powell's book What's Left?, with a foreword by Tony Benn, does not approach matters in quite that way. So far as it comes to a conclusion, it is that New Labour is a betrayal of the old, and that the party has been for ever torn between the inevitability of gradualism and the pursuit of revolution. He implies that this internal dispute will re-emerge and quotes with approval an early Fabian state-Joan Smith ment: "A Labour party which

On the road to New Labour

hurts no one will benefit no one." Powell's basic question is stated in the first paragraph: How can a party rooted in dissent ever become the party of government?" Yet he is wrong from the start. The Labour party is not the only party with a dissenting tradition. Some of the old Liberals were dissenters, as were

WHAT'S LEFT? LABOUR BRITAIN AND THE SOCIALIST TRADITION by David Powell Peter Owen £22,50, 300 pages

some Liberals in the not-too-distant past. Some old Tories were nters, as are some present ones. Margaret Thatcher became a dissenter after her early experience in the government of Edward Heath.

The answer is that, to become the party of government, either you reach a broad consensus with the electorate or you strike when the time is ripe for change. Tony Blair did the former, helped by the fact that 18 years of Tory government were a bit much in a two or two-and-a-half party system. Mrs Thatcher did the latter, but only after attempts by previous governments (Tory and Labour) at the reform of industrial relations had failed and the electorate came to want something more radical. Then she stayed too long. You also have to stop flighting

old battles. As Denis Healey recognised when he was in the running for the Labour leadership, many of the original aims of the party had been achieved by the Attlee government of 1945. The challenge was to keep them ments. On economic policy, Healey said in 1979: "We shall do best if we continue to operate a mixed economy in which the operation of market forces is controlled by the government either through legal rules or through direct intervention. The only question is where the boundary should be set in particular cases between state intervention and

There is a certain continuity in British politics. One government can learn from another's mistakes. Blair learned from Thatcher, both from her successes and failures. There is some continuity in the Labour party, too. Powell rightly recognises the role of Michael Foot in holding the party together in the early 1980s, but from then on it was the road to New Labour all the way through Neil Kinnock ("the real architect", according to Powell), John Smith and now Blair and Gordon Brown, It was Blair who said early on that the Labour party was not "a preservation society" for the party's original

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the market."

constitution. Powell is none too happy with all that, but I am not happy either with an author who refers to Ludwig Erhard simply as "an avowed monetarist who had served as German chancellor for three years during the 1960s". Erhard bad rather a lot of economic reforms behind him.

Malcolm Rutherford

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FINANCIAL TIMES

No FT, no comment,

Britain has witnessed the emergence of a new wave of writing about twentysomething pre-millen-nial angst, hard drugs,

Dubbed the new FTNs (First Time Novelists), these authors include the likes of Bo Fowler, Toby Utt, Lana Citron and Alex Garland. Heralded by rumours of exorbitant advances, these writers are as much the product of marketing strategies as good writing habits. Photogenic, young, trendy and ironic, they offer a voyeuristic look into the public and private lives of the

youth of today. The FTNs are essentially entertaining writers, as swallow 50 condone full of obsessed with the minutiae of social life as the TV they were brought up on. An exsoap opera actress in her cess, of swallowing then

Perkins is no exception. Referred to as the Natalie

Imbruglia of BritLit, her first

novel, Leave Before You Go, Daniel, a Londoner and one of the two protagonists of the book, agrees to go on a drug run for a triend of a friend, partly because he has nothing better to do, and partly because there's \$10,000 thrown into the bar-Once in Thailand, Daniel

enes through the excruciating experience of having to amack to take across the border into New Zealand. The description of this pronative New Zealand, Emily passing the 50 rubber of the story; if they end up their narcissism, their sense

Narcissistic world of BritLit fingers", is dealt with too swiftly to be satisfying.

New fiction/Christine Pountney

"Finally it was over," Perkins writes, after a brief. description of the cubicle Picador £12,99, 292 pages and Daniel's anxiety. It is only the beginning

however, of Daniel's anxiety. Whenhe arrives in Aukland he gives the gear to the wrong guy. Meanwhile, in a dark

cinema sits Kata, the other protagonist. Kate is bored. restless, dreams of escapions. tries to avoid her ex at a party, and is overshadowed by her successful TV-pre-Senter sister with perfect cheek-bones. She and Daniel eventually meet and provide the thwarted love interest

LEAVE BEFORE YOU GO by Emily Perkins

WHY THE TREE LOVES THE AXE by Jim Lewis Flamingo £10.99, 276 pages

together it is almost by acci-

Frozen in mid-pubeacence. Perkins' characters never grow up. They are selfish and starved of intimacy in a world where no one seems able to communicate. For all shaky that they are forced to He, or hie precisely because they have no sense of self.

The themes of lying and self-invention are also prevalent in Jim Lawis's eerie and atmospheric second novel Why the Tree Loves the Aze. It is the story of Caroline, a woman on the run from her past who survives a high speed car crash only to find

herself on the run again. Trying to put as much distance between herself and a failed marriage, 27-year-old Caroline leaves New York and ends up in Sugartown, Texas. She gets work in an old folks home where she is both warned about and seduced by a cantankerous

old man by the name of Billy. When she finds herself swept into the crowd at a street riot and implicated in the violence, she is forced to re-evaluate her situation and her identity. When the police start looking for her, she makes plans to leave town but not before striking a Faustian-type bargain with the lucid and leery, crazy prophet Billy.

Told in first person, from her point of view. Caroline's story is a kind of Thelmaand-Louise-meet-Isabel-Allende odyssey. Her voice is absolutely believable, vacillating between the extremes of caution and hysteria.

The language is lush, if at times overblown, and the overall effect is surreal. Lewis manages to transform suburban life in the southern states into a postgothic world of strange coincidences and vivid visual

Decorative down to the table lamps

Paul Jeromack reviews the New York Met's exhibition devoted to every aspect of Tiffany's work

politan Museum? Again? If one gets a feeling of deja ou going through the Met's arrange the glass in the new exhibition devoted to their own rich boldings of America's most popular dec- fany was one of the first of a orative artist, it's probably long line of Manhattan's dec-due to the fact that Tiffany orator-dictators of taste (and has prominently featured in the only one of genius!). several major shows at the Met in the past decade: In Pursuit of Beauty: Americans-and the Aesthetic Movement (1987); Masterpieces of Louis Comfort Tiffany (1990) and Splendid Legacy: The Have-meyer Collection (1993).

The current celebration coincides with the 150th anniversary of Tiffany's birth It is made up of 150 objects which encompass all aspects of his work - from a

Included is his lesser known work in furniture. pottery, enamels, jewellery and architecture

single early painting of "Snake Charmer" at Tan-gier, Africa (1872) to his unique achievements in glass (vases, lamps and face a priority for her depart-stained-glass windows) and ment. A Celtic-inspired his lesser-known achieve- armchair was bought from ments in furniture, pottery, enamals, jewellery and

this would be a nice idea for room in 1994. a special museum bulletin." says Alice Cooney Frelin- Tiffany with lamps, and ghuysen, curator of Ameri- the Met's holdings, though can decorative arts at the not numerically large, museum. Then the more we include several unusual examined it, an accompany-

his associate, Samuel Colethat "successfully integrates revival in the 1960s, had gen-man, to oversee the decorathe design of the bronze grously donated the mosaic One

Tiffany exhibi-tion of their lavish Sixty-tion at the Metro-sixth street mansion in 1889. As one of the terms of the gift was the proviso that Tiffany and Colman personally museum's display cabinets, one is led to believe that Tif-

Even judged by tantalising black-and-white photographs, the Havemeyer mansion was an incomparable cultural monument. Tiffany had created a shimmering peacock-dyed setting for the legendary Havemeyer collec-tion of Impressionists and Old Masters, centred around a unique, suspended golden staircase, bejewelled with favrile-glass inserts and a tinkling crystal fringe. Sadly for New York, while

the Met received the bulk of the Havemeyer collection after Louisine's death in 1929, the now-unfashionable Tiffany furnishings were not part of the bequest. At the start of the Depression in 1930, this modern counterpart of the Frick collection was stripped, dismantled and dispersed at auction, and tern down. While several mosaics,

lighting fixtures and architectural elements survive at the University of Michigan much remains untraced, and Frelinghuysen has made acquiring any Tiffany-Have-meyer furnishings that surthe Rembrandt Library in 1992, and a foliate-scroll window of amber, gold and opal-"At first we thought that escent glass from the music

Most people associate examples - notably a henging exhibition seemed ineviing fixture fashioned as a
woven American Indian bea. The Met's connection with ket (made for Robert W. Tiffany dates from 1896, Deforest, Tiffany's lawyer, favrile glass, which Tiffany table lamp with French pothad only been producing for tery base by Plarre-Adrian three years, to the young Dalpayrat, with a shade of museum. Havemeyer and his deep red turtle-back tiles; wife Louisine were avid Tif- and a Water-lify table lamp fany enthusiasts, having which is one of the few, according to Frelinghuysen,



Steined-glass window by Tiffany: glasswork was just one of his many talents

the dealer who had done so that we would have liked to much to promote the Tiffany at the time to complete the Met in the 1960s, many of

One of the revelations of "are still in need of conser-

base with the glass shade," backdrop in 1976, and put us the show are over 75 unpub-vation and are in pretty Tiffany's mosaic work is in touch with the lady that lished watercolour drawings rough condition - they are when H.O. Havemeyer who was also the founder of brilliantly represented by owned the base, who was from the Tiffany Studios not in good enough shape to donated 56 examples of the Met's American Wing); a the wall fountain of a garden also nice enough to give it to depicting interior designs, landscape, a showpiece in us. The problem was the lin- lamps and accessories, of Tiffany's salerooms which tal, which was owned by a which only a few can be led by a special Summer Buicame to the Met in three dader in the midwest who linked with finished projects letin by Frelinghuysen, has instalments. Says Frelinknew we had to have it, and or products. Part of an been funded by Tiffany & ghuysen, "Lillian Nassau, we had to pay a lot more archive of over 40 Tiffany designs purchased by the

them, says Frelinghuysen,

exhibit yet."

The exhibition, accompan-Co, the jewellery and silver store founded by Louis Comfort's, father Charles Lewis Tiffany, and runs till January 31, 1999.

Television/Christopher Dunkley True lives

and true lies

grammes BBC1's new series of Inside Story produces an increasing sense of familiarity. Which previous current being traded in will know affairs series had this combination of personal stories, love of the dramatic, a tendency for interviewees to weep in front of the camera, and a weakness for commentary of the "Now the truth can be told" variety delivered in punchy voice-over? The answer presented itself at the end of Programme 4; Desmond Wilcox's 1960s series, Man Alive. And there, spooklly, right at the end of the credits, were the words "Written and produced by Desmond Wilcox . . . Produced by Man Alive Group for the BBC".

turning out programmes as an independent, but he has made the "Man Alive" trade mark his own. However, he is not responsible for this entire series. On the contrary, the editor is Olivia Lichtenstein and each of the programmes has been made by a different outfit. The first, and best of the four (the fifth, on the late Justin Fashanu, has not been finished yet) was produced and directed by John Fothergill whose jewel of a programme was called "Confessions Of

A Car Salesman". In fact - and this was the whole point - it was the inside story of two sorts of car salesman: the cockney spieler who sells old bangers off a crowded forecourt, and the trained salesperson who has been on an intensive course to learn the 44 rules of how to sell a car indoors from alongside a potted palm. Fothergill's neat trick apart from getting George Cole to lend his Arthur Daley voice for the commentary - was to begin by highlighting the contrast between "Lucky" Jim Godfrey of London's East End who, at first sight, looked dead dodgy, and the h-so-urbane people selling BMWs to their social inferiors; and then to show how

When it con es to a onestion of honesty should you trust the spieler who says "The filler's stronger than the bleedin' car" and "It's gone through a new MoT, it's got its failure note inside"? Or the smoothie can commissions or co-prowho has been taught that ductions? We have no way the first three rules of sales- of knowing from the credits, manship are (I) Customers but it would seem odd if tell lies, they say they've British, and especially BBC seen the car cheaper else- current affairs series, set where: (2) Never do any- out deliberately to put such thing customers ask and emphasis on American never answer their questions; and (3) Never commit? Fothergill has done the Some licence fee payers

Tatching the inside this ghastly training first four of the school so that we now know pro- bow it turns sales assistant. in into glib automata. Any viewer faced in future with a car salesman who pretends admiration for the car he is about to be conned, This programme was informative, entertaining, and put together like a watch by film editor James Hay.

It was also unmistakably British, Contrastingly the following three programmes all have a decidedly American flavour. This week's, "Boy Crazy", told the story of Mary Letourneau, a Seatan affair with a 13-year-old schoolboy, became pregnant by him, was charged with that she did not see him again, continued with the affair, was imprisoned, and then discovered she was pregnant by him for a sec-ond time. The boy protested that it was not rape since be readily consented, and now looks after his children with the help of his mother.

third pro-mme. "Drug gramme, "Brug Raped", deals with what is said to be the growing use of drugs such as Robypnol to make Mickey Finns which put the drinker into a trance, destroy the ability to say yes or no, and crase the memory: a rapist's dream drug. Nicholas Claxion's programme leaves little doubt that there have been cases in the UK, but the be in the US. The fourth programme, "Test Tube Dads", the Man Alive production, also has token British interest but is almost entirely concerned with efforts by American children who were conceived thanks to sperm donors to identify. and in some cases weet, their genetic fathers.

So the top and tail of this series (Fashanu constituting the tail) are solidly British. but the three central programmes tell us as much or more about America and Americans. They are powermisleading those first ful, professional examples of tabloid journalism, but they nt a erowine trend in which it is difficult to avoid the suspicion that the dollar plays an important part in production money up front? The hope of future Ameriinterests if there is not a financial motive involved. public a big favour in some- might feel they have a right how getting his camera to know.

Where everyone revels in rep

David Murray finds Shakespeare cohabiting with a money-spinning musical at this year's festival in Stratford, Ontario

competition with its elder consin in England, but it ford's audience comes up tempts comparisons. Its season runs from May to the Shaw just a couple of cal. November, with the princi-hours away from Toronto or pal roles in each play - four Stratford, but less than an lively revival by final scenes need). As Stan-the latter gets a tiousness is not what his final scenes need. As Staners, staged in three different easy North American drive theatres - taken by leading from Detroit, Pittsburgh or Canadian actors who reappear in lesser parts else- ket to tap, Stratford sold a original merits: the playwhere: a true repertory com- half-million seats last seapany, in fact.

lar attractions, which Britain's Royal Shakespeare Though sive Stratford season, mat. Instead of Shakespeare

he Canadian Strat- its programme is Stratford- a patch on the film) and The Julius Caesar (Two Gentle- berrry. Much Ado is the ford Festival, begun shaped, no less expertly *Prime of Miss Jean Brodie men of Verona* opens next work of the festival's directunder Tyrone Guthmanned and womanned, and (not a patch on the novel). In week), and it is by a long tor, Richard Monette. It is a manned and womanned, and rie in 1953, is not in rivals it in length.

tition with its elder About a third of Strat-

Cleveland. With such a marany, in fact. son, and the Shaw - playing in smaller theatres - over

Though these festivals are Company has undervalued a huge asset to tourism, they Impossible Dream" comes las Campbell (yes, père), lately. Along with this mas- get meagre state funding. Stratford in particular has Ontario boasts also a Shaw been feeling the pinch. Festival down at Magara-on which may account for the the Lake with a similar for- cautious, middle-brow range of their current season: slut. Excellent cast all Greek chorus; a mild, vague it features George Bernard familiar Shakespeare and Shaw and his "contempo- modern "classics", including raries" (a rich choice, since straight commercial pieces Shaw's life was so long); but like The Miracle Worker (not

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Shakespeare cohabits with Man of La Mancha, this

edged. The piece has some for a musical, and Mitch lays on the hypocrisy with Leigh's score puts tricky spins on its Spanish trowel. is a fine, resourceful Cer- an actor have not carried vantes/Don Quixote from over. Risible battle-scenes; a Dale makes Aldonia a feisty ing the Roman mob into a round; crisp musical direc- Caesar, an airbead Calphurtion by Berthold Carrière.

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the main Festival Theatre, way the worst Caesar I've seen. Tom McCamus's versespeaking has improved since from the US, and likewise at year's money-spinning musi- his choked Coriolanus last year, but he is quite out of his depth as Brutus (bump-Susan H. Schulman, stus, that clever actor Stephen Ouimette is reduced to ineffectual hand-flapping at hip-height. In Marc Antony's within-a-play format is bold oration, Benedict Campbell

an embarrassingly crude

nia, an ultra-bland Casca So far the only Shake-, and a campy female Soothspeare in the big theatre is sayer. No crucial scene out the plotting-scene. seems thought through, and false stresses abound in the speeches. Dreadful.

Anyhow, a director who tus!" for Caesar's "Et tu, Brute" deserves any nemesis that comes his way. Most of his actors look unrecognisably better in other shows. In is properly moving. Much Ado about Nothing, for

lightweight affair (Beatrice's "Kill Claudio!" draws the biggest laugh of the evening: that says it all), but deft and

disarming. Studded with pretty waltzes and extra lyrics from Cumbeline and Love's Labour's Lost, It dances through Guido Tondino's summery pre-war settings. Monette's gimmick is to cast Beatrice and Benedick as distinctly long-in-the-tooth, a whole generation older than Hero and Claudio. The point I blame the director Doug- of it is really to accommodate Martha Henry, now the round once too often. There whose veteran strengths as doyenne of Canadian actresses, and cuddly old Brian Bedford in roles they love Juan Chioran, and Cynthia brief, lame attempt at turn- and relish infectiously. It works, though once or twice it looks a bit macabre. A wonderful bonus is William Hutt's Leonato, ineffably. paralytically drunk through-

The glory of the season, however, is Bedford's plain. faultless production of The Winter's Tale in the Tom substitutes "And you, Bru- Patterson "studio" theatre, a rectangle with the audience on three sides. In Ming Cho Lee's all-white set it plays lucidly and beautifully, and

example, at the smaller full vocal weight for King Abbey as the Bohemian Peggy Ashcroft: a darkling The Winter's Take plays in Avon Theatre, McCamus Leontes, his intelligence and princes, John Gilbert and presence, fraught comporepertoire till September 20; gives us a potentity malevo- stern force are more than Robert Benson among the sure, and utterly scorching other plays mentioned conlent Don John, while Oui- sufficient compensation. Sicilians, and Douglas when she lets fly. Her splen- tinue into early November. mette makes a virtuoso Kate Trotter is his statu- Chamberlain's funny, magis- did performance crowns a Stratford box-office: fax Cancomic turn of Constable Dog- esque, heartfelt Hermione. terral Time



Deft and disarming: Brian Bedford and Martha Henry in 'Much Ado About Nothing'

The other actors respond If Wayne Best lacks the bly Chioran and Graham best Paulina I've seen since

meticulous direction: nota- have Diane D'Aquila, the long trip to get there.

Above all, in the play's only "vaut le détour" to perfectly to Bedford's most suggestive role we Stratford, but would justify a

Winter's Tale that is not ada 519 273-6173.

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Festival with the Fringe on top

Antony Thorncroft looks forward to the Edinburgh season

the world's greatcity is either dauntingly grandiose or desperately grim; the people can combine Calvinistic austerity with anarchic inebriation: the climate, even in August, exciting than the actual usually ranges between cool

Edinburgh loosens its cor- in the Queen's Hall, balsets and welcomes the anced for the first time by world. Its population doubles to over a million, and somehow everyone has a good time or, at the least, a memorable experience. After 50 years the locals have come to appreciate that the myriad festivals that fight for attention give their city prestige and revenue. Some even enjoy the invasion; and if not, they can always rent out their New Town flats for premiere of Balanchine's £800 a week and enjoy a good holiday.

Edinburgh in August is acted as the magnet for the Fringe, which is now much larger in audience and financial impact, and for the Film Festival, the Book Festival, the Jazz Festival, the Television Festival, and the Tat-

It is still the International Festival that sets the tone. and it is on something of a high at the moment. Last year's festival made a sur- the last week, which meanplus of £2,000 (on a turnover approaching £6m), and advance bookings this year are, to date, up by over 1 per cent. The three week Festi- end. Week Zero, in which val opens on August 16. some of the 9,800 artistes Some events - the Berlin attracted to the Fringe hone Philharmonic's concert. Covent Garden's production of Don Carlos - have already sold out, but there should be tickets for dance and drama performances available for

dinburgh is not a casual visitors. Even the attracting an audience of on the Inverleith Putting natural setting for strong pound has not over 500,000, double the festi- Green, is charging just £1 deterred the 20 per cent of val attendance. For its tiny est cultural gath- overseas visitors, and, as subsidy it brings \$2800 into ering. Much of the usual, more festival goers the Edinburgh economy, as will journey from London against the £19m generated

The experience of going to a festival event can be more event, but to be particularly recommended this year are, But it is in August that as ever, the morning recitals



afternoon concerts of the songs of Hugo Wolf in the Usher Hall: the British Midsummer Night's Dream danced by the Pacific Northwest Ballet: the concentramuch more than the Interna- tions on Smetana's music tional Festival - but that and Schiller's plays; and the British premiere of Eugene O'Neil's unfinished play,

In the past the festival and

its wayward off-spring, the Fringe, lived in semi-detached harmony. Now the Fringe has gone for a full divorce. It opens for business tomorrow, a week before the festival, because its performers increasingly found that dered into September, was unprofitable, with a sharp falling away in audiences after the Bank Holiday weektheir acts into shape, actu-ally started last Wednesday.

The Fringe rightly feels that it does not get the attention it deserves. It is much larger than the festival,

and the south east than from by the main festival. With its emphasis on the experimental and the young it has had a much greater impact on the culture, and the entertainment of the UK, than the festival. Hilary Strong, director of the Fringe, has just been appointed to the reformed Arts Council of England, something of a tribute to both Strong and the

> for spawning the contemporary comedy boom. The festival might have hatched Beyond the Fringe, but Dudlev Moore and Alan Bennett had appeared earlier on the Fringe, and the Pythons, Billy Connolly, Hinge and Brackett, Rowan Atkinson, Stephen Pry, Angus Deyton, French and Saunders, Ben Elton, Rory Bremner and Rik Mavall are just some of the comedians who first got laughs - or brickbats - at a Fringe venue. It has become far and away the biggest comedy festival in the UK, and has edged out the Fringe's earlier emphasis on drama, which in 1966 had imleashed Rosencrants and

Many of the comedians who owe their tame and fortune to the Fringe cannot keep away from the place. This year Rory Bremner and Phil Cool are appearing at the Assembly Rooms and Lee Evans at the Playhouse, while David Baddiel and Frank Skinner are performing at the Pleasance with all tickets priced at 22. It may not be quite the bargain it seems - Baddiel and Skinner warn that they are not bothering to prepare material. Arthur Smith, holding court

Quildenstern are Dead.

This is a reaction to the steady increase in ticket prices on the Fringe, with some performers asking punters for £10 for an hour long show. Some justification comes in the rising cost of rental for the venues: Edinburgh Council, which owns the Assembly Rooms has hiked rents to 210,000 a week at the largest space, the Music Hall, which seats

The three largest Fringe venues, the Assembly Rooms, the Pleasance and The Fringe is best known the Gilded Balloon, have now grown far from the original, off-the-wall anarchy and offer established artistes playing to their fans. They market themselves as one. attract sponsors, and ets sold on the Fringe. They form an exclusive Premier League and their dominance makes things tough for the other 160-odd spaces battling for critical and audience attention.

> However you can still turn week, bed down with friends, and make an impression. David Benson, for example, who two years ago was doing his "Kenneth Williams" at the St John's Church Hall, is now at the Assembly Rooms with his

John Thoday of Avalon the comedy company that is bringing 19 shows to the Fringe, suggests that "there is more new writing at Edinburgh than in the whole of the subsidised theatre all year". It is still the key opportunity for fresh comedians, who get the chance to present a longer act than the conventional 20 minute stand-up turn. It can be just as important for established



Getting her teeth into coready: Jenny Eciair as Mrs. Nosey Parker holds court at the Pleasance

burgh to by out new matecatch the eye of TV execuperformer is obviously pulling in the crowds.

Hilary Strong believes that this year the Fringe is particularly strong on drama, which contributes 38 per cent of the 1300 shows on offer (as against the 19 per cent from comedy and revue), with appearances by mini-festival at the Jaffa Hull Truck and the National Cake, which features con-

·Theatre of Brent: premières for Sam Shepard's Shaved Splits and Dario Po's Tale of the Tigress; and more exotic productions from Zimbahwe and Thailand, with 16 Lady Bogs of Bangkok being just

Among the music there should be interest in philosopher Roger Scruton's first opera. The Cabinet Minister: the intrusion of club culture with Gangsta-Rapture; and the now established Flux

temporary music, including Jesus and Mary Chain and P.J. Harvey.

And so it goes on, the annual explosion of hope over experience, self-delusion over talent, genius over adversity. Many people attracted to Edinburgh givethe festival and the Fringe a miss: they will be wrapt up in the Film Festival, the Jazz Festival, and the Book Festival which monopolises Charmini-festival at the Jaffa. At the end of the month the

cheque books and contracts. will be in town ostensibly for controversial debate at the George Hotel, but really to make a quick trawl of the Fringe, to sign up any new talent thrown up over the previous two weeks.

It is the gamut of Edinburgh in August, the sweep from piano virtuosi in the attention seekers on the Fringe, from literary discuslotte Square every two years. sions to the latest Indian



Social realism shocks Salzburg

'Katya' roused passionate feelings, most of them negative, reports Richard Fairman

't was a bold first week. Its basic tenet was simple Kuebler's refined Boris, templated suicide, the other Marc Minkowski had typical end at the Salzburg Fes- and true. This Katya was liver Hubert Delamboye's worker characters lined up with period-instrument drive. The tival this year. After ing in a grim tower-block, drone Tichon and Henk their faces to the wall. What big drawback was the venue: gauntlet with the opening production of Weill's Aufstieg und Fall der Stadt Mahagonny, the artistic director Gerard Mortier followed on with a new production of Janáček's Katya Kabanova, which is hardly more of a Salzburg crowd-

Asked to make a prediction, one might confidently have declared that an opera as potentially inflammatory as the Weill would sorrage festival regulars, leaving the Janáček to apply some balm later. In the event the two productions had the reverse effect. While the Weill was generally accepted as the dull norm, the Janaček roused passionate feelings. most of them negative. During the curtain-calls the cheers were drowned out by

For an arts director a scandal is always better news than a lukewarm success (think of how Peter Jonas has manipulated controversy, first at ENO in London, now in Munich). But as far as this Katya Kabanova is concerned, it need not have been so. Christoph Marthaler's production had the makings of a strong and radical new look at Janáček's opera, if only he had known when to stop. by Anna Viebrock. A series of photos in the programme suggest it was meant to be present-day Brno (the composer's home for much of his life) where black-and-white televisions and flowery wallpaper are apparently still

The flats are inhabited by a community of no-hopers, the unemployed loafing about, loutish youths and senile old men. Most of them spend their time looking out of the window at what hanpens in the yard, so one person's business becomes everybody's business. As in the claustrophobic small town of Janáček's original, this is a society that allows It is no surprise that

Angela Denoke's youthful and attractive Katya should want to escape from there. Every defensive stance, every frightened look spoke of the repression that tortured her, and she sang the role strongly and movingly. Marthaler's different slam is that Katya is by no means the only disaffected one in this production. Everybody who lives in the tower-block is equally a victim, from Dagmar Pecková's determined Varvara to Rainer Trost's brilliantly-played gormless Kudrjáš, David

Dikoj, all of them perceptive portrayals. Kabanicha, sung by Jane Henschel, came off less well, partly because she looked too young to be Tichon's mother. The sce-

This Katya was living in a grim tower block. inhabited by a community of no-hopers loafing about

elder's respect in society and

Unfortunately, having invested so much in establishing a framework of social realism, Marthaler proceeded to undo his good work with a lot of silly incidental detail. The singers kept popping in and out of a large wardrobe, as if constantly in search of a clean pair of underwear, a large fountain spurted symbolically at key moments, prompting giggles from the audience. While Katya con-

Orchestra, in Salzburg to play for this production, did hoped. Maybe Sylvain Cambreling's indulgent style of conducting, emotionally involving but a joit to anybody reared on Mackerras's precise recording, did not agree with them. One final excess: the opera was per-formed without intervals and in the breaks between the acts short choruses were added, sung by an all-male choir rebearsing in one of the tower block's upper-floor

There were interpolations in the revival of Die Entführuna aus dem Serail too - of Arab music intended to halance Mozart's "western" score. This wholesale re-interpretation of the opera as an apologia for Arab values takes some swallowing, but its virtue is that it does make one think long and hard about an issue which is at the root of the original. (How little European/Arab relations seem to have changed over 200 years.)

The cast, led by Christine Schäfer's determined Konstanze and Paul Groves's lyrical Belmonte, was worth hearing, the musical perfor-

The Czech Philharmonic zhof must be a difficult acoustic for singers at the best of times, and when the not bring with it the class of rain is battering down on its ensemble one would have canopy roof they do not

The Grosses Festspielhaus, though equally problematic for opera, makes a superb venue for concerts. At the first of its festival appearances this year the Vienna Philharmonic sounded every bit its rich and plorious self. It was an ambitious Russian programme with Valery Gergiev as conductor. Dmitry Hvorostovsky was the restrained baritone in Musorgsky's Songs and Dances of Death. Yelim Bronfman made a impressively combative soloist in Prokofiev's Second Plano Concerto. And finally Gergiev directed an untidy and wayward performance of Tchaikovsky's Fifth Symphony, which nevertheless brooked no argument in its emotional identification with the music. As it casts a jaundiced eye over this year's ticket sales the Vienna Philharmonic no doubt notes with much Schadenfreude that its own concerts are nearly sold out.

The Salzburg Festival is sponsored by Nestlé and

was so hot that the Indian

Radio/Martin Hoyle

More of a truffle omelette than a Fry-up

ames Boyle has struck back. With a venom unparallelled in the between Birt's BBC and the corporation's erstwhile admirers, the controller of Radio 4 has replied to the charges of dumbing down. And the response in this war of critical attrition is called Saturday Night Fry.

Just as Live from London was finding its stride, R4 has hit us with this lumbering juggernaut of prolixity. Last Saturday's line-up read like the channel's allowance of

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and the effect was less a Fry-up than being force-fed with truffle paté: Anthony Clare, Jonathan Miller, Laurit Taylor, John Sessions and Arnold Wesker, with Tom Baker and Sinead O'Connor for light relief. It took seven minutes of dense verbal outpouring to

introduce the first guest. The tone was garrulous, ponderously facetious, self-consciously allusive, cumber-somely sprinkled with old iokes (the French pronunciation of " 'appiness" resem-bling "a penis" - hands up all those who remember the story being told about Harold Macmillan and Mme de Gaulle). And that was just

The over-endowed pudding dered humpy by ingredients

included several good eggs from a surreal Irish stew. "If Taylor and Tom Baker, in absolutley wonderful," bub has its votaries: a former who should be savoured you've been bashed about by individually. Miller came out a goose you don't need there is individually. Miller came out a goose you don't need there. from time to time with fascinating apercus that made one wish he had been given a solo half-hour for impromptu talk. Sessions opened with one of those impersonated dialogues that are ingenious without actually being funny: Pinter, Stoppard, the footballer Michael Owen, Su Pollard and Strindberg. It took 10 minutes and seemed longer.

There were too many overly-knowing cooks, some, one suspected, picked up from hanging around the Groucho Club, for this particular broth. What might have been an enlightening con-

apy as much as if you've been raped by your mother," sagely observed O'Connor. I think. I may have misheard, but the singer's spoken voice was often self-effacing going on indistinct. I missed her explanation of one particular song. "I wrote it when I saw [mumble] on television" -"Absolutely at that time?" throbbed her host. She replied that you could only put your arms around them. You've never been abaid to speak your mind," said Fry admiringly, refraining from

with which she does it. This was as nothing to the multi-layered ironies of the interview between Laurie

comment on the coherence

knock" joke whose pay-off is "Doctor Who", which Baker, a former Dr Who, claimed never to have heard before, laughing over-heartily the while. Conversation ran on Viagra and the rush of blood from one's head to what Baker referred to as a man's skittle. Neither speaker sounded as if he knew for sure whether the other was being intentionally futiny or not as the topics ranged over going mad and putting on underpants while standing up. I suspect the interview was actually an act by John Sessions. I suspect the whole

only 50 per cent true, but it's now "completely in love" that 50 per cent that terrifies

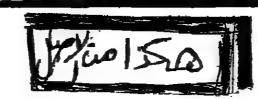
of fast food in one's car: from Archive How: the London Olympics to Burger Wars. From the latter I learned that cars queue up at lunch-time for takeaway junk food, most of them with only one occupant; that hard-working executives can est fast food at nine in the morning and for hinch and a take-away for supper. The war in ques-tion is between the transatprogramme was an act by lantic Big Mac and our own selves billeted in red-light John Sessions. This could Burger King chain. This gid districts. In other respects it

with the business and has, as they say in the biz, kitchen in his veins". We have not yet reached the American point of spending more eating out than on groceries, nor of taking nearly a third of our meals in the car,

but the industry is hopeful. The London Olympics food-rationed, housingstarved, bomb-ravaged capital of a near-bankrupt country bosting the Olympics in 1948. The British muddled through. RAP camps were pressed into service while woman athletes found themgo on foreger - it's been dyingly expanding industry was atypical: the weather

contingent complained, boy scouts fainted and half the pigeons to be released in the opening ceremony died, More predictable was the realisation that the British had no flag for the opening parade: Roger Bannister had to belt back to the car-park and find IL The Czechs sent mineral

water, the Irish and Dapes thousands of eggs. Australia and Switzerland especially looked after Britain. Athletes commuted by public transport. A family outing on the river collided with the Portuguese coxless fours. recounted a miracle; the Television came into its own, photo finishes were used for the first time in athletics, and British sportsmanship was praised when a dodgy-looking British win was reversed in favour of the Americans to general applause. We won few medals, but came in under budget and made £10,000 profit.



OUTDOORS

with British Airways? mother's when I announced the plan to fly a microlight from India to the UK.

Since a microlight, or make it happen for months ultralight, is little more than and got to the point where a hang glider with a canoe underneath and a motorcycle engine strapped to the ack, she still thinks I am completely crazy.

The inspiration for the project was a microlight race from Madrid to London that my brother-in-law Storm and I completed in 1995. While we came nowhere in the field, we both learned a lot and got the bug for doing something that would really test us. Storm's appointment as business development manager for Rolls-Royce in India deter-We talked over how to Microflight 98

Wrong way to Farnborough Two brothers-in-law are flying microlights from India to the UK, sponsored by the FT and raising funds as they go. Rory Jeffes reports

we had either to do it or stop talking about it. So, having convinced the FT to sponsor us, we approached Titan Watches in Bangalore and Dr Martens in the UK, both of which also agreed to help sponsor what was now called Microflight 98.

That evening, we broke the news to our wives, who were, and continue to be, With the funding in place, we set about planning. It was Hobson's choice as far

as the route is concerned: up through India, across the south coast of Pakistan, into Oman and through Saudi

Arabia to Jordan. From there, it's a hop to Cyprus and Greece before hitting Italy, then over the Alps into France and home. It's more than 6,000 miles

at an average 60mph - and that is our airspeed. One of the real challenges, going from east to west, is that it is against the prevailing winds, which has never been done before. That can slow progress across the ground to the point where you feel as if it would be quicker to

the right place at the right time is as difficult as obtaining all the clearances needed for crossing the various international borders.

· We still don't have clear-

ances for Saudi and Pakistan, but we decided to start and hope they are agreed. will be the terrain and weather - mountains, blistering desert, huge crossings over nothing but water (always interesting in a single engine machine) as

Getting the right fuel to well as some highly sensi- another hazard for these tive areas. Crossing from India into

Pakistan at 2,000ft, which we should achieve today, could prove interesting in the current political climate, as could tracking across southern Lebanon, where the only experience the Israelis have of these machines is suicide bombers. Official clearance to proceed is one thing; a local "peacekeeper's" reaction

possibly another. The weather is obviously

on his attempt at this east-west flight against prevailing winds machines, particularly in the 50°C heat of Saudi. Flying in the thermals is like being in a washing machine. while unstable clouds can make it very uncomfortable.

We also started out in the Indian south-westerly monsoon period. This meant we unable to fly on Sunday and Monday but since then, we have enjoyed brilliant conditions and are back on schedule, approaching the Pakistan bo

We have no weather radar

have is VHF radio for talking to the ground and other aircraft, a satellite navigation system, portable PC and Mobiq SatPhone. This will enable us to

update our website every day (bitp: www.microflight.com) and to get help if we need it. Our safety kit includes life raft, flares, beacons, strobes and an alarming amount of water in case we go down in the des-

The timing of the trip was agreed with Farnborough so that we can make a grand entrance by flying in to the International Air Show on September 8. What better

adventure than at the presti

departure from Bangalore. I finally cleared customs the height of the monsoo

money for CRY India, a char Indian children who are mai http://www.microflight.com/ flight Charity Fund may b son Road, London SW13 9HJ



Motoring / Stuart Marshall

Marques keep distinctions

the PSA Group, iyed-in-the-wool Citroen enthusiasts gloomily forecast the end of the road for the interesting, if sometimes eccentric, cars of their choice. That was more than 20 years ago - and the pessimists are still waiting for it

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Richard Fains

to happen. Although engines, transmissions and, at the lower end of the market, running gear are common to both marques. Citroën and Pengeot manage to retain their individuality.

say that, from the driving seat, a Peugeot 106 and Citroën Saxo, Peugeot 306 and Citroën Xsara feel completely different.

But the Citroan Xantia and the Peugeot 406 could It is mainly due to the sus- treated with disdain.

pension systems on the two cars. For its larger cars, soft, almost floating, but Citroen stays faithful to the computer control of the susgas/hydraulic system it pio- pension units ensured it was neered as long ago as 1960 in never floppy and that fast the DS19. Peugeot cars get corners were almost rolltheir supple ride from con- free. Whatever the load, it ventional steel springs.

In recent weeks, I have enjoyed two of PSA Group's of Citroën's gas/hydraulic top cars - a Peugeot 406. suspension have helped me coupé and a Citroën Xantia in past emergencies. Raising Exclusive. Both have the the ride height at the touch same 3.0-litre V6 multivalve of a lever came in handy on engine developing 194 horse flooded roads.

power at 5,500rpm but the And on no other make of coupé's transmission was a car is changing a wheel so 5-speed close-ratio manual quick and easy. You select grarhox while the Exclumaximum ride beight, put a gearbox, while the Exclusive's was a 4-speed auto-matic that detected and then adapted to my driving technique.

I was more than happy with the Peugeot's comfortable ride but as a long-term fan of the marque I have to



In all honesty, I could not Peugeot 406 Coupé with 3.0-litre V6 engine. Styled with Pininferine's elegance, sporty though relaxing to drive

apart from other cars.

Small bumps at low speeds can be distinctly heard and have come from different felt but really bad roads manufacturers, not just dif- like those with broken edges ferent PSA Group factories. and adverse cambers - are

> 'The Exclusive's ride was always remained level.

Two incidental advantages

prop under the body and then reduce the ride height. The wheel with the flat tyre lifts clear of the Fuel consumption averaged

Although both cars had

say that there is something about the gas/hydraulic suspension that sets Citroëns had lower overall gearing for sportily rapid acceleration. It what less so in the rear seats was quick off the mark; and with moderate boot Peugeot claims 0-82mph in 8.2 seconds.

More important to me was its extreme flexibility which

There was no way I could persuade two sets of golf clubs and . trolleys into the boot of the Peugeot

encouraged a relaxed driving style of starting in first, going straight into third and

then into fifth. On the motorway, the engine was faster-spinning than one expects of a 3.0-litre but never less than silken. 26mpg (10.81/100km).

The Peugeot, styled by trol.

Space.

It has finessa. Unlock the car with the remote control and the windows drop a few millimetres so the big doors will shut without slamming - and then the windows rise

again. Operating the catch on a front-seat backrest makes the whole seat slide forward under power and then back to its pre-set position once the rear passenger is

The coupé's manual gearbox was as good as they come but for everyday driving I would have preferred the automatic transmission as fitted to the Citroen Xantia Exclusive.

When you are inching for-When you are inching for-ward on a motorway that has congealed to a nearstandstill, a trivial loss of onpaper performance and 5 per cent greater average fuel consumption is a small price to pay for the sheer ease that is provided by two-pedal con-

version of Citroën's flagship model 3.0-litre XM, an impression fed by the soft black leather, poweradjusted seats, superb ride. vigorous performance and ambience of air-conditioned

tranquillity. Back-seat passengers had plenty of head, leg, hip and elbow room and lifting the tailgate revealed a large. slab-sided load space.

Which of these two desirable cars should one buy? If good looks are critical, it has to be the glamorous Peugeot coupé. I loved its sheer elegance but there was no way I could persuade two sets of obeys my commands exactly golf clubs and power trolleys into the boot.

dour. He has not yet learnt So for me it would have to to be chummy, but no doubt be the Exclusive, even if its chumminess can soon be gendarmerie blue non-metalprogrammed in. For now, what the Lincoln lic paintwork did nothing for its elegant lines. does is repeat my commands

Prices: Peugeot 406 coupé with unflurried accuracy, 3.0 V6 SE (manual) £27,020; before executing them. More important, it gets them right even while jolting Citroën Xantia Exclusive automatic £22,030. There are cheaper, 2.0along unmade roads or litre, 4-cylinder engine verabove such intrusions as the sions of both cars, priced hum of the air conditfrom £20,670 (406 coupé) ioning.

systems in the Lincoln that can be voice-activated. Wipers, cruise-control . . . anything else requires a flick of But Visteon, the Ford-

owned components group which has developed the technology, has already started producing more sophisticated systems for important new cars to be launched this year. One is the replacement for the Ford Scorpio; the other the S-Type from Jaguar, Ford's British luxury cars subsid-

. On these cars, voice commands alone will also open doors, boot and filler cap. activate interior lights. adjust mirrors and wind windows up or down.

Cool it, I

say - and obligingly Abe turns down the air conditioning

> What I am really looking forward to, however, will take at least three years,

maybe five. to tell Abe, or his successor, to run me a bath. And to put the pizza on to bake. And all while we are still on the

Abe, you see, has friends. One is Bill Gates and his company, Microsoft. Others

early next century many with everything from cookers to curtains linked up to Abe, via the internet link on his dashboard PC, will be

Hakan Kostepen, multi-Visteon, is quite serious in painting this scenario - the technology is to hand now salt. and the partnership between Visteon, Microsoft and Intel to create the enabling infrastructure is already operational under the Microsoft Windows-based ICES (information, communication,

mainly those of marketing and packaging.

size of Visteon - \$16bn turn- ing out to the driver when over, 55,000 employees - the and where to make the technology has been a chal-turns. lenge to develop.

That meant an August

arrived there two weeks before, just as my machine which created an immense amount of paper work, and took longer than we hope it will take us to get back to the UK. After a day rebuilding my machine, we were back in the air. Setting off at season could be seen as bad timing, but Farnborough

Talking about a new generation of clever cars

John Griffiths chats with Abe, his new Lincoln, and looks forward to an enduring relationship

first gave us the talking car. It was 1984.

Harold was chief enerative Rover and with the Maestro, he proudly declared, a mirade was born.

Unfortunately, such were he shortcomings of its synthesised voice system, lesigned to sound warnings of malfunctions, that the only miracle was that Austin Rover escaped being rased to the ground by

hordes of irate owners. Maybe the talking Maestro would have been forgiven had it started each day more astutely. There could have been sycophantic remarks to lady owners such as "My, what a vision of loveliness we are today"; or sniggers of, "Let's go

humiliata a Cortina" to drivers of the Formula One best. Instead, it aired dismai warnings such as "Your door is open" or "Your engine has just fallen into the road", which were usually hopelessly inaccurate.

Once apoplectic Masstroistes realised there was something embarrassing about yelling at their cars to shut up, the "miracle" was quickly over. By the mid-1980s, the garrulous Maestro was no more.

Now, more than a decade later. I've been having a chat with the first of a new generation of altogether more competent talking cars one of Ford's finest, a prototype Lincoln Town Car. I tell it to phone the office.

whole directory.

Cool it, I say - and oblig-

ingly Abe turns down the

Yes, I admit, I have embel-

lithed the conversation. Abe

- but his responses are more

It says: "Yo, boss - office coming up." I say: "Play track 5 of that CD." It says: "Sure thing -bey, good taste or what?" I cannot decide which radio station I want. Duti-

are at Intel, home of the Pentium computer micro-Gates and Intel have a fully, my new Lincoln pal (I firm conviction that by anything which might call him Abe) reads out a

houses will be "intelligent". microprocessor control. And commands to direct them.

entertainment, safety and security) multimedia program. The remaining obstaenthusiastic Kostepen, are

tence for the driver may be wrecks.

buckons

Microflight 98 is raising ity providing education for tem. Details can be found at sent to Microflight 98, 8 Kit.

An open road car, the and £18,695 (Xantia Excluthe same engine, the manual Pininfarina, is an urbane For the present - meaning transmission Peugeot coupé car, exceptionally good-look-Exclusive felt like a slimmer sive). Agony and ecstasy on the road



enouncing the . evils of our "car culture" is easy. Finding a workable alternative is the Nicola Baird's recent book

HARLEY DAVIDSON 1997 WIDEGLIDE. Perfect, 300 dry miles, saddlebaga, screen, straight throughs, Blue & Beaunful, Cost £13,000. Gift at £10,995.

on the subject, The Estate We're ht, has a mass of material on the problem and possible answers. But she may underestimate how much pain motorists are prepared to endure to make driving tolerable in future.

"If motoring is to live, the car, as we currently know it, must die." This apocalyptic view, quoted in Baird's book, comes from a prominent national newspaper an accurate forecast. The fact is that the journalist himself, who lives

in south London, has shown

no intention of renouncing

his large limousine. Such a

gap between sweeping statement and personal behaviour is one that surely runs deep for most dyed-in-the-wool motorists. Nevertheless on any

measure, either personal and anecdotal or large-scale statistical, few will dispute that in the UK, a desperately overcrowded island, driving is becoming a more distasteful experience. especially in and around all journalist and may indeed be the major conurbations.

There are already 27m registered cars in the UK; by 2025, this figure could have reached 40m. Baird says rightly - we persist in buying them even though

they are expensive, get broken into, are dangerous, and are a prime source of pollutants.

turn, empower its previously

Her book was written before John Prescott, the deputy prime minister, unveiled his transport white paper, but she would surely endorse the thrust of that document in which, as one commentator put it, "the car is no longer king". Where she might disagree is that she would apparently prefer to see the car deposed in a palace coup, while the Labour government appears to want to cut the powers of Nicola Baird, Indego, 27.99. the car gradually and, in

ineffectual rivals - the train, bus and bicycle. The trouble with either

prescription is that it must confront a powerful lobby in the oil industry and a powerful instinct - our desire to get behind the wheel. Whatever medication we apply to make the transport system workable will involve painful tolls or restrictions for the motorist to be effective. As Baird says: "We all want to drive, we all have a right to drive, and that's the problem." * "The Estate We're In" by

John Münch

phone, CD, radio and air a microphone, smaller that conditioning are the only a thimble, sticking up from the steering wheel housing and a small steering whee

"talk" button to press. plex set of hardware: signal processing, to recognise voices with a wide range of dialects and languages other than English; and network and receive bustructions and feedback from individual components of the system along multiplex wiring - an "intelligent" electronic ring-

Amazingly, there is no estly identifiable extra cost for the system. It nets out at a few hundred dollars, but is not listed as an extra. Instead, the cost is being absorbed in the vehicle's

overall price tag. The system, in its first phase, could hardly be easier to use. It might roll its electronic eyes to the heavens when dealing with mumblers like me, but those meticulously worked-out algorithms can cope. Recognition rates are over 90 per

This is also a technology joint venture from which drivers of computers, as . well as cars, will benefit. IT companies regard the occasional PC crash as one of those whimsical facts of life: By then, according to Vis- to Ford and other volume to teon, I am going to be able carmakers, any kind of system failure that saps the confidence of the customer

Not only does Visteon aim motorway and far from for virtually fail-safe home. computer bardware that can be updated and expanded to overcome that other PC buyer's burden - desktop systems out of date almost as soon as they are in operation. "We can't contemplate undermine the resale value of the car," says Kostepen.

Where the limits of voiceactivation technology lie is hard to guess. Its most ardent advocates claim that two or three decades into able to pass on my verbal the next century, motorists , may be able to climb into * the back of their cars and media systems manager at simply order the car to drive itself home, I would take that one with a pinch of .

Visteon would like to have a monopoly on its Vacs (voice-activated control system) technology, but it hasn't. BMW is also getting ready to sell cars with voicecontrol systems.

Within three years, such technology will be on offer from most other leading carmakers, including the facility for drivers to give satellite navigation systems a destination address ver-Even for a company the bally, with the car then call-

There should be a marked The only clue to its exis- reduction in nervous

BRAND NEW CARS

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Written quotations available upon request

How to Spend It

How to take the creases out of a holiday

Fashion

Fabric makers have the traveller in mind, says Brenda Polan

do" school of counselling. Think Pink And Frilly This Season, we trumpet before investing in yet some of them synthetic miranother black trouser suit. acles and some inspired Real Women Wear Stilettoes, cocktails of natural fibres we insist, shuffling our and yarus grown in a laboracomfy Hush-Puppied feet.

One of the worst myths we for a holiday or a working resilience to a fabric. Its trip, folds neatly into a structure can also combat cerry-on beg and works brilliantly in endless amort permutations. As for that ously abused and, even then, advice, it is doubtful if any other group of women is as familiar with the excess bag- of steam over the bath. gage counters at airports as a flock of migrating fashion

Indeed, there is little point in being encumbered with bulky carry-on luggage when you are travelling in a group - as fashion editors nearly You're going to be last on simple shapes and a multisame goes for holidays; if the ple of prints per season other members of the group have hefty valises, bags of golf clubs, and most of their personal library about their disorganised persons, what's the point of being disciplined and resentful as they settle

in by the carousel? Besides, who shops for a ity, serving as much-loved whole new co-ordinating wardrobe every time they leave home? The truth is more adventurous than that our wardrobes grow Miyake's. They are sexier organically; they are the and there are more fashionproduct of many sensible decisions, fashion fads, sale bargains and daft whims. ric weights and pleating They are made up of many all their bits if they are to work and which won't bear have worked with crinkled breaking up and recombin- fabrics, including Christina ing in some other way.

So let's forget the impossible and unnecessarily stressful and look at how fabric manufacturers and designers now. Most of us need to

ashion writers are transport our clothes, if only notorious praction holiday, and we don't tioners of the "do have the time or inclination as I say, not as I to iron them when we arrive. What's more, we don't have

tend to propagate concerns Lycra, for instance, bestows the capsule wardrobe which, a disproportionate degree of creases. Knitted viscose, for instance, only creases if seriminutes hanging in a cloud

> ent ways - and they are machine-washable.

manage to be simultaneously fashionable and slightly outside fashion they have extraordinary longevwardrobe basics for years.

able cuts and a greater variety of colours, textures, fabeffects. Scrunched-up, they pack as tiny as anyone could achieved deliciously pretty

effects with pure silk.

Tracy Felth, an American

Many of the new textiles,

tory, are uncreasable. A tiny percentage of

And then, thanks to a prevalling passion for taxture there are clothes with built-in crinkles and primitive pleats. Best-known in the latter category is issey Miyake's Pleats Please collection, featherlight, permaalways do professionally. nently pleated polyesters in the taxi queue anyway. The tude of colours, plus a couwhich can be mixed in differ-

Because these clothes

Lezley George's pleats are Kim of Dosa, who has

designer whose deceptively have reacted to the fact that fragile-looking dresses are we are all, to a greater or new to Browns in South Molton Street, also works in silk which has been treated to



From left to right: ■ Navy/white print slik helter-neck wrep dress, £180, by Diane von Furstenberg from Browns, 23-27 South Molton Street, London W1 tel: 0171-481 7833, White straw Steteon, £19.95, by Dollargrand from Fenwicks, New Bond Street, London

W1 twl: 0171-829 9161. White cotton/linen trousers, £255, by Jil Sander at Browns, as before, Sepie rayon/iyora silky knit cardigan, £69, from Episode, 172 Regent Street, London W1

career in fashion on a quest

to make the perfect slip

dress for his girlfriend, Feith

loves hot colours and Rajas-

thani prints and provides

slinky bias-cut slips to layer

beneath his diaphanous little

a different approach. Her

fabrics are a mixture of syn-

thetics, often containing vis-

cose, polyester and nylon,

which are brutally shrunk to

Tanva Sarne at Ghost uses

pashmina, 2195, from Ferwicks, as fore: Nylon/leather fold-up travel bag, £74.95, by Longohamp from Harrods Knightebridge, London SW1 tel: 0171-730 1234. Suede loafers, 296.60, from Russell & Bromley, 24-25 New Bond Street, London W1 and branches tel: 0171-629 6903. Bronze sunglasses, £89, by Fabris Lane from Harvey Nichols, Knightsbridge London SW1. Stocklet inquiries tel:

0181-974 1642. Watch, £2,430, by Chaumet, 49e Sloam

render it uncrushable. A give the finished material an Texan, who started his unusual density which important element of fashion ensures that it clings and collections for the next. The newly revived Diane von

hangs in a flattering, sen-Furstenburg cross-over dress Many are embroidered or (a rave from the grave 1970s given another kind of tex- style) owes its legendary tural interest, and all are cling to the jersey it is made machine-washable. If you from - whether in cotton. are a perfectionist, you may viscosa, polyester or silk prefer them ironed but, as And you really have to try long as you don't wring hard to crease it. But all modern-minded them out too enthusiasti-

designers have whole-capcally, they don't really need sule wardrobes of silky knit Knitted fabrics, as they pieces, some semi-transpar-

E Bronze siik camisole, 286, by Dose from Browns. Polyester pleated trousers, £125, by Lezley George from Ferrericks. Ginger strew bag, £50, and metching het, £80, both by Heien Kamineld from Hervey Nichols, as before. Ginger leather gladiator toe hoop sendels, £175, from Gins, 189 Sloane Street, London SW1 tel 0171-285 2932. White gold ring, £830, by

Chaumet, as before. ■ Dive embroldered nylon/vi rayon slip dress, £315, by Ghost from backs, £285, by Gine Couture. B Blue multi-print silk slip dress, £135, by Tracy Feith from Browns. Pale lemon silk m kitten-heeled mules, £175, from

Gine, se before. Fold-up bags by Longohemp from Herrods, as before

laka-up Karen Lockyer at Michaeljohr Peter Forrester for Daniel Galvir

ent (which layer sedue; raffia basket from the local tively), some matt, and all of market looks silly on the airwhich hang beautifully and craft and is not secure in the feel light and easy to wear. hold; Betty Jackson's and Donna | Never take new shoes: Karan's are among the best, but they are also to be found in most good high street col-

There are, of course, a few travellers' tips to be learned from fashion editors. For

☐ Always pack a capacious

only those you have broken in and now feel like gloves. But do take several pairs; □ Take a pashmina for chilly evenings and draughts

☐ As long as you have a belt, you can do anything with a sarong-sized length fold-up nylon bag: you of fabric, so take the lengths dant, the hairdryer starts to always go shopping and a that you bought last time look unnecessary, too.

Don't take valuable iewellery. If you're on business, minimalism is fine and, if you are on holiday, buy some cheap and cheerful local iswellery. Ethnic is in: If you need a sun hat, buy the cheapest local version and junk it when you leave: ☐ Have your hair cut into a wash-and-go style the week before you fly. Once you have made that iron redun-

and add to your collection:

ummer in the Hamptons used to be about picnics on the beach and leisurely afternoons sipping beer on the

Cars (and houses) were weather-beaten, clothes were casual and shopping consisted of a quick sprint to the A&P followed by a barbecue at home. Exercise was confined to the tennis court or the daily half-hour walk 516 324 4499.) by the ocean with the golden

Today, the Hamptons is about \$4.50 fat-free cappuccitessa, helicopters and celebrity spotting. Since sunbathing and eating (for reasons other than networking) are forbidden in this relentlessly fashionable resort, the only thing left to \$240 for their services, are do is exercise.

There is no need to visit Los Angeles or New York City to find out how Americans are exercising Center in New York City, because almost anyone who's anyone in LA and mer in the Hamptons. There are almost as many personal trainers and yoga instrucaround here. Reservations at you're stepping on people all the Zone, America's only day, you can't get away from studio dedicated to "spin- the fact that you're a nasty ning" (indoor cycling), and person by doing meditation Lotte Berk's exercise classes in Bridgehampton are hot relax is a big step forward." commodities.

daughter) in East Hampton, Beaches are almost bare (the only sunbathers are those trying to glimpse a celeb- makes people crazy." rity), but try to book a \$160

Where spirituality meets Lycra

In the fashionable Hamptons, the only thing left to do is exercise, observes Helen Kirwan-Taylor

mill's holistic beauty spa. Naturopathica, and you'll be told to try again next month (East Hampton Gym, Fithian Lane, East Hampton. Tel: +1

Yoga has taken the Hamptons by storm. This wouldn't sound quite so funny if it weren't for the fact that those hanging out with their yamas and niyamas, are the same guys who buy and sell multinationals before breakfast. The private yogis, some of whom charge as much as not unaware of the irony.

Deansin Parker, a psychoanalyst and founder of the Goodson Parker Wellness admits it's laughable, but like most of the yoga teachers bere, regards the craze as ality meets Lycra. Seelye a symptom of a growing mostly looks after his perchange of attitude in the US. "You cannot buy peace of supermodels), who pay \$75 tors as there are moguls mind," says Parker. "If or yoga. But just learning to

She attributes the surge of To get into the gym of interest in yoga to America's Alexis Stewart (Martha's search for meaning: "The you practically have to flash millions of dollars? Who an actors' union card. needs another house? So much stuff makes life mean-

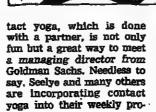


The very youthful fiftysomething founder of the yoga-on-the-sea movement in the Hamptons is personal yogis, talking aware that yoga's integrated psychology is part of the therapist, I say take a deep breath." In her time, she says. "I have seen many tough asses soften" (tel: +1 516 725 4995).

The most "in" yoga programme in the Hamptons is at the Hayground elemen-tary school in Bridgehampton. Run by the dishy John sonal clientele (ves. the and upwards for his time (tel: +1 516 329 0172).

There is excitement in the air because "Tesh", the man who invented America's newest fitness craze, contact yoga and yogasage, and who personally looks after Donna Karan, Demi Moore and Woody Harrelson, is coming question is: is it OK to make to town to host a workshop at the Hayground.

Tesh (a.k.a. Ken Scott) has done the usual American ingless and competition thing - he has taken an ancient form of something "People feel something is and commercialised it. Con-



grammes. Directly across the potato field from where Seelye's clientele is working up a spiritual sweat are the Lotte Berk "starve and tone" bri-

The husband and wife team Elisabeth Halpapp and Fred DeVito, who manage the Lotte Berk Method franchise in the US, are famous for creating the Berk Seat and the tight pelvic girdle (students write to thank them for improving their sex

A combination of yora.

lives).

ballet, modern dance, calisthenics and orthopaedic stretches, the method has been around for about 28 years but has attained cult status because of the growing disillusionment with gyms and the injuries associated with running and aero-

At \$25 a session (less for a

series), the Lotte Berk Method is definitely for ladies who lunch (though on what exactly, you have to ask yourself). But this seemingly gentle form of exercise is still exercise with a capital E. Halpapp and DeVito punctuate their classes with expressions like, "You are wheel an athlete in training". Clenched teeth and shaking limbs are de rigueur: steely determination resides

and nose jobs (Butter Lane 516 537 3290).

Even though Halpapp calls the Lotte Berk Method the "Tai Chi of the west", many of her disciples grab their bags, jump into their Cherokee Jeeps and head for East Hampton for a wild aerobic ride at the Zone.

Rnn by 34-year-old Dacey Erik, indoor cycling (also known as spinning) is all the rage. The Zone, strategically located above East Hampton's most fashionable clothing store, Calypso, contains 47 stationary bikes, each equipped with a 381b fly-

Pioneered by Johnny Goldberg in California, spinning has become another American addiction. Eyes closed behind all the tight lectards and poised at 45 degrees, unique is the fact that Lane,

course determined by the teacher (the bikes are adjusted to simulate going unhill or downhill).

"Spinning is about finding your centre," says Erik. "It's about you and the flywheel. It's not about competition. You don't have to win this At the end of the \$18

"ride" students don't clap. "I'm your tour guide," says Erik, "not your habysitter." (Newton Lane, East Hampton. Tel: +1 516 329 8622.) For the truly intrepld, the most "in" workout is "Team

Training" in some circles and "Raw or Trek" in others. The pioneer of the method, Bryan Visina, takes his clients out for "a real spin". Students (in the Hamptons) run on the beach, then jump on a mountain bike, swim 100 laps, practise yoga postures and finish with a kickbox session, for a fee of \$75

Visina's outdoor/back-tonature approach to physical fitness is a runaway suc-

His group, Baraka, has doubled in size and he is looking for a permanent series, the new \$1,200 stainsummer headquarters. "The Hamptons has so many resources," says Visina, "you can kayak on Georgica pond, then go into the ocean to weather the waves,"

What makes his approach

clients alternate between trainers, some of whom are ex-boxers and yoga teachers. No workout is ever the same (tel: +1 212 255 0067).

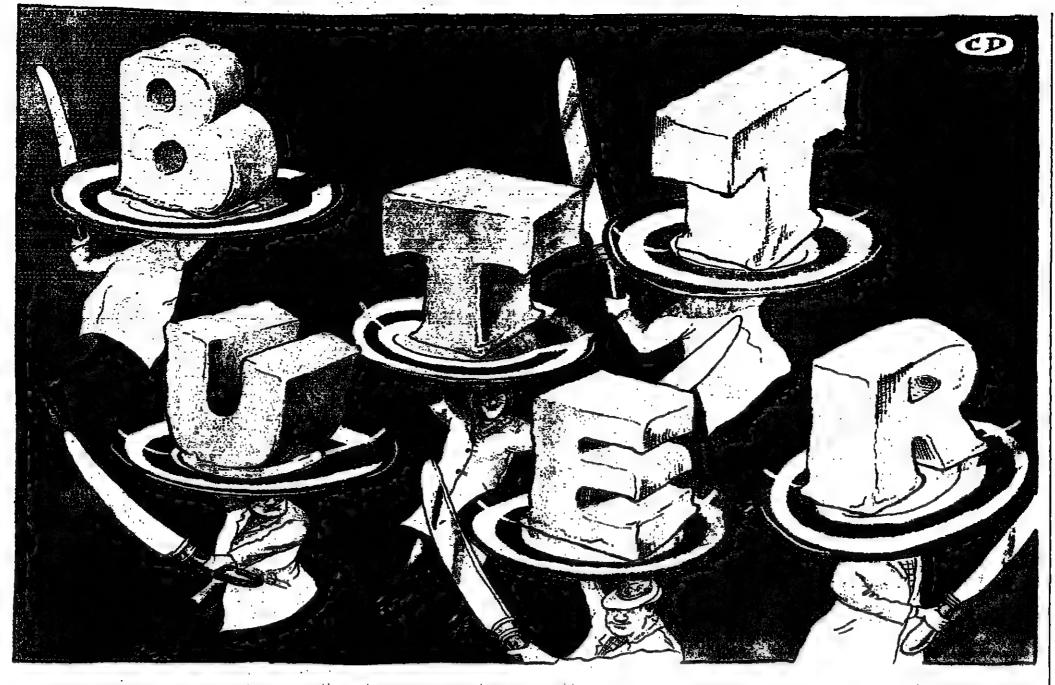
If it all sounds too much. then Alexi Stewart's gym in East Hampton is probably the answer. The swanky space, dotted daily with fresh flowers (from Martha's garden), boasts the latest equipment and latest stars (Cindy Crawford is a regular visitor, as is Marthal It's the perfect setting for the mogul and his personal trainer (who is never more than 2ft behind) to seek relaxation among other beautiful people and their personal

The mind/body connection is what fitness is all about these days. Millions of US baby-boomers who grew up as the fitness craze began are now worrying about injuries in their impending old age (in the US, old is

45). "The 'Wellness' of the future is about using your own mind," says Deansin Parker. "People today are much more aware and knowledgeable about their bodies. They are aware that beauty comes from the inside.

But in the Hamptons, one could argue, beauty comes from the pocketbook. If you add up the price of the yogi, the masseur, the Lotte Berk less steel spinning bike designed for home use, we're talking big money. And that's before the diamond studs, the manicures, the \$4.50 fat-free cappuccinos and the house on Lily Pond

FOOD AND DRINK



Cookery

Living off the fat of the land

Britain's butter-buying habits are pathetic, says Philippa Davenport, who urges consumers to be more discriminating

old a buttercup under my golden reflection on my skin suggests I love butter. I do: I am thinking of starting a search we have been seduced by the Cheap butter, like cheap whey, how much salt is stand, and it was common a compaign against its abuse and neglect. Offive oil is all Mediterranean diet and the inferior. Many of the biggest ness of the product when cream age before churning very well. Some its excallent, promise of good health via selling brands are frankly you buy it. Butter wrappers (for a day or two or three, it is indispensable for certain. culinary purposes, and I would be loathe to be withs une rat e sical.

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Britain is cattle country. not the land of the olive. The regarded as shocking and same is true of other northern European countries and much of the US. Butter is the fat of our land - and the fat of our lard, of course.

The olive does not grow in Britain But olive oil is the new religion. Hours are devoted to choosing it, small fortunes are spent on buying it, and some people's larders boast three or more sorts.

On the other hand, we are pathetically casual about butter. Nine out of 10 shoppers simply reach, unthinkingly, for whatever brand is olive oil production stan- ter. I am not suggesting we. cheapest - a crazy state of

affairs. The reasons for butter's decline and olive oil's rise in the UK market are several. First, in culinary matters, the British have a silly habit of knocking their own. For-eign is fashionable and better, according to the mantra.

Good cooking depends on been further tainted - and depend on the breed of cow, selecting ingredients that tastabuds debased - by shelf season, terrain, feed (graxing are the best of their kind, space previously reserved for and supplementary), the to leave well alone. Second. low cholesiarol.

tures as well as vegetable oil imports from old Empire unsalted and major producin the sating of many Medi- countries, or blends, they ers give salt and fat percent-British cooking and on our where duck and goose fat mous cream from intentables strikes me as nonsen-are prized along with lard. sively farmed herds spread sical. The idea of trimming fla-over more than one county, yoursome fat from meet is or even several countries.

processed foods, in not overeating, and in taking exercent fat, butier usually con- of life.

tains about 82 per cent.

rocketed. British shoppers, who once had to go to London's Soho, or settle for an anonymous phial of "pure olive oil" from Boots the Chemist, may now find a estate-bottled olive oils in cooking.

carefully, and knowing when margarines and nasty butter

not worth buying if you

Invariably they are wasteful, and cheese is rel- fiercely heat-treated, notably ished. Mono-saturated fats salty and sometimes not may have certain advan- very fresh, faintly rancid tages over saturated, but the even, despite a long sell-by real health message lies in data. Such butter is capable the importance of eating of anointing foods, but it is fresh rather than heavily harrily a treat, waxy on bread, fatty when melted.

If this is the sort of butter cise. Butter, like olive oil, is experience most Britons a fresh, natural food. And, encounter - and I fear it is just for the record, while no wonder droves are conolive oil is almost 100 per verting to a butterless way

The time has surely come The third point is this: to take a fresh look at butdards have risen dramatic- put butter on the altar of ally and distribution has gastronomy, heaven forbid. Just that we should appreciate good butter for the wholesome and delicious pleasure it is, and recognise once again that it has a valuable (sometimes irreplaceselection of extra virgin able) role to play in good Butter can, of course, only

be as good as the cream from skills of the dairy maid (or all the extra flavour dimen- everything, then to season The image of butter has man). Quality and character sions that implies.

preparing them simply and butter being squeezed by degree of heat treatment used, whether the cream is fresh, ripened; clotted or raw cream if it is left to usually state clearly whether In truth, snimal fat fee- value your tastebuds, the contents are salted or

Labels rarely specify, how-

ever, how the cream has been treated - whether it is raw or pasteurised, whether it is sweet-cream or lacticripened. A pity, for such information gives useful clues about the character of the product. In practice, Britland butters are generally ordinary fresh cream), while those from mainland Europe and Scandinavia are lactic-temperature, the faster and ripened (the cream has been fiercer the effects. lightly soured).

ters were made with raw flavour and ensure long tures can be. Given the creem, and most were lactic-shelf-life. This is the modern diversity available in good ripened - because lactic acids develop naturally in depending on weather and

dairy conditions).

Ageing not only ripens flavours but hardens the fat easier to churn - no mean consideration in days when everything had to be done by hand. A crucial part of the buttermaker's skills (along with acrupulous attention to hygiene) lay in judging when the cream was ready, ripe

sour to dangerously bad. Butter made with raw cream is relatively rare these days; pasteurised cream is the norm, Pasteurisation has done a lot to reduce health hazards, of course, but not all its effects are beneficial. In particular, it can destroy not only potentially harmful bacteria but also the valuable ish, American and New Zea- flavour-enhancing elements that enable cream to ripen sweet-cream (made with naturally and assume that teria and salmonella scares)

The most devastating tech- paying for. Lactic-ripened butter is, so nique is to blast-heat cream

Once upon a time, all but- salt to reinstate some sort of how varied liavours and texsweet-cream method favoured by industrial giants in the UK, US and New Zealand - and it explains why their butters tend to be flat and somey.

> In Scandinavia and most of mainland Europe, buttermakers prefer to perpetuate the lactic-ripened method (albeit generally using pas-

relatively little or no salt. Some producers have great extravagance some learnt to pasteurise more people imagine. On the con-gently and slowly, which trary, it tends to be excellent wipes out dangerous bacteria but allows some of the flavour, you may find you original character of the cream to survive. And some add to the pasteurised cream a cocktail of selected lactic ferments to heighten that crème fraiche effect or build their own recipe.

Good butter does atill exist, both commercially and farm-made on a small scale in Britain as well as abroad What is more, new artisan buttermakers are beginning to spring up - just as cheese makers did a few decades

Appetisers Chef's new move

can Christoph Novelli has gone dvom chef en exeptin builder in two short years. And why not? works hard and has a knack of knowing what Latest addition to the Novelli Group is Le Moulin de Jean, a renovated 18th century building in the Norman commyside about an bou from Cherbourg.

The launch menu, FFr95 for two courses, FFr135 for three, will include my stuffed, braised pig's trotter. Chef-manager will be Jean-Marie Lenfant vho has worked for Novelli for three years. For reservations call +33 02 33 48 39 29, From October, five bedroo will be available for overnight stays.

Hotel de la Cité, Orient-Express Hotels' property in Carcassonne, is running a series of wine courses until the end of

Led by Georges Gracia, the hotel's sommelier, the three-night packages will a junior suite, lunches in country restaurants and a dinner in the hotel's La Barbacane restaurant.

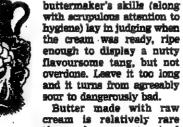
Daily tastings and a course in wine appreciation will be combined with visits to the vineyards of Corbières and Limoux. Cost will be around £580 per person excluding flights. For more details call +33 04 6871 98 71 or fax +33 04 68 .71 50 15. Ryanair (tel: DEAT SCHEEN flies direct to

■ Scottish cook and writer Claire MacDonald has opened a new house next to her hotel, Kinloch Lodge, on the Isia of Skye, Where she has built a reputation for highquality home-made food Lady MacDonald of

MacDonald - her husband Donald - now plans to expand her cookery demonstrations and to offer seven-night stays. Don't even think of asking

IR The first Manchuster food and drink festival takes place from October

· Jill James



delicious, faintly sour taste. The higher the pasteurising

I believe tt is possible for a new golden age of butter to dawn in the UK as consumers (prompted by BSE, lisbegin to question more ingredients they buy, and realise that quality is worth

to speak, the butter equivator to a high degree almost as recently, I suggest you buy a lent of creme fraiche, with soon as milked, killing off selection of butters and indulge in a little compara-

1997 BORDEAUX EN PRIMEUR IF YOU'RE GOING TO BUY, EXCERPT FROM OUR CURRENT OFFER-(LOTS MORE ON OUR FULL LIST): CALON SEGUR CANTEMERLE CARRUADES DE LAFITE CLERC MILON ROTHSCHILD CLOS DU MARQUIS COS D'ESTOURNEL D'ARMAILHAC MI TENERO DU TERTRE RICRU BEAUCAILLOU ILONIA FRAND PUY LACOSTE GRAND FOT LICES HAUT BRION KIRWAN L'EGLISE CLINET LA FLEUR DE GAY LA MONDOTTE LABEGORCE ZEDE LAPITE ROTESCHILD

delis and at farm gates

(about which more next

week), it seems daft always

to stick to the same brand,

or the cheapest, week after

week, for years. We have

learnt to be choosy about

other basics, selecting differ-

ent breads, olive oils, honeys

and wines for different occa-

quality butter is not the

value. Because it has real

need relatively little of it.

The cost compares favour

ably with top olive oils. And

the pleasures are at least as

Next week, Philippa Daven-

port looks at individual butters and buttermakers.

great.

sions. Why not butter?

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How I sold my 1980s wine collection

Reader Charles Cummin-Buchan tells how he made a tidy profit

was not bright. Some English merchants had overextended themselves and the international market in investment grade wine ented themselves. One could sell at

cautious buyer to pick up wine chant. with potential either at auction, or from merchants' distressed sales. methods, along with having to

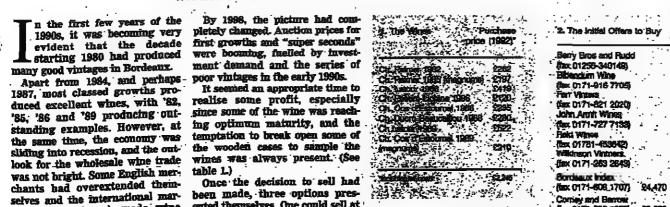
With copious brokers' and merchants' lists, a subscription to putting vendor's charge at anc- nothing to the differences between Christie's monthly sales catalogue, tion, or the 10 per cent broker's the prices for the individual wines. and the confidence of having a commission, swayed me towards cool, low-variant temperature willing exactly to a merchant. Scottish cellar for long-term storage, I set about purchasing the available was faxed to 11 leading the prices offered for the different occasional case or so of good value left-bank red Bordeaux

table L)

Once the decision to sell had auction, through a merchant's bro-Thus, an opportunity arose for a kerage list, or directly to a mer-

> The uncertainty of the first two organise transport, and the off- chases was very significant, it was

> A standard list of the wines much bias, both for and against, in merchants. Most replied within a growths. For instance, at the top fortnight. Six offered to purchase end, offers for Ch. Latour '89



directly, three offered only brokerage terms, and two did not reply. (See table two.)

Although the variation in the totals offered by the direct pur-Rach merchant appeared to have fairly different favourites, with to 2240.

Storolegusz Index: (tex 0171-608 1707) 24,470 94,023° Junierini sund Brocker (fax 0181-471 1006). \$4,835 .94,351

ranged from £800 to £980, and at this took seven weeks. the lower end, offers for Ch.

The industrial and the committee

A second process was clearly time-consuming, and fun. The needed. It was to cherry-pick the final cheques totalled £4,510, makbest offers for individual wines. ing a net profit of £2,285, 101 per After ringing some of the pro- cent, in six years.

new analysis produced the result that the best that could be achieved without too much incon-\$4,135 venience was to split the parcel between Wilkinsons and Biben-Both collected the wines at their expense, with Bibendum offering also to purchase a few single odds

and ends. Patrick Wilkinson was particularly helpful and was obviously

spective purchasers, and persuad-

to move on their initial offers, a

ing them - with mixed success

very keen on making his custom-Wilkinsons also paid when the

wines were collected, whereas Bibendum waited until the wines had arrived in their warehouse. were checked and had gone through their payments system -

This experience of dealing with Prietre-Lichine ranged from £140 the wine trade as a member of the public was profitable, not too

their village shop. Con-Ergo, choosing foreign ingredients will glamorise and versely, good quality butter improve British cooking. has been more difficult to which it is made and the This is clearly untrue, and, find for some time.

FOOD AND DRINK

Solving the rustic mystery of Cabrales

Adam Hopkins loves the salty, madly tangy cheese of the Picos

in the air in the Picos de Europa, those super lagge mountains in the north of Spain. It makes innocuous cheeses come out in terrible blue spots and, as be blue, matured in limestone caverus in the mountains - well, the result is

For these are cheeses which twist and snarl on the palate like a ferret down a trouser leg. Even a mild one can lose you friends if you carry it about.

As it happens, I have known the blue cheeses, made from milk of cow or goat or sheep or all the three combined, throughout my adult life.

It was Juan Benito, local literary man, who first introduced me to them in the city of Oviedo, munching the maggots - there were maggots in those days: none now, under European regulations – off the sharp side of his knife.

I was not so keen as he on the magnots, but I loved the salty, madly tangy cheese. — the cheeses now turned its name — Cabrales, if it out of the mould — and off comes from the Asturias side of the mountains, Picon if it comes from the next door region of Santander lodged deep in my brain.

But it was Pedro Velarde, just a week or two ago, who showed me the effect of the air of the Picos on ordinary white cheeses. There he was, in his immeculate cheesers in the village of Pendes, in the Liebana valley, dressed all in white like a doctor or a vet, even with a white hat on. and turning out allwhite Quesuco - another local cheese with its own denominación de origen. But when he led me into his storeroom, the kundreds of little round cheeses, all made under controlled conditions from pasteurised milk, were definitely coming out in spots.

We can rub off the blue before we sell them," he said reflectively, "but there is certainly something in the

It is this special something, existing naturally in the region, in caves and air. that has enabled the little group of hand-made cheeses from the Picos - Quesuco, in four variant forms; Cabrales, made in about 20 villages; and Picon, made in only two - to survive in a world which has begun to recognise them as being quite out of the ordinary.

"Not that they don't put penicillin into the blue cheeses," says Maria José Llorente, secretary to the regulatory board for Picón. "It's pure myth that it just happens on its own."

"Well," says María de los Angeles de Pelayo, "when I was a child, the cheeses we made at home had nothing at all added except the rennet. Even now, I don't use penicillin directly. A little bit of mature cheese in the mixture will have the same

Across the mountains from Pendes, in the village of Póo de Cabrales, Angeles is one of the most modern and proficient producers of the Asturian version. She starts each day at 5am. assisted by her mother. Her husband, known by his surname Pelayo, is responsible for the milk - some homemade, as it were, by cows in a nearby byre but most bought in from neighbours. None of this is pasteurised which is a big factor in making Cabrales and Picón more interesting than the notionally all-white Quesuco.

It is, of course, a wonderful and seemingly magical process. I turn up early enough to watch 600 litres of milk and added remet plus that little hit of cheese turn into semi-solid curd

AREIS TAGE PORTS WANTED or Paul Bowker



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Thanks to grants from Asturias, from the late Europe, where the denomi nación de origen is officially recognised and supported all here is new and immacu-

Moreover, the cheese gets some protection from counterfeiters, long a problem with Cabrales (although there are also worries about downside is that the producers have to keep elaborate technical records, which they hate.

Now Angeles and mother

Guadalupe cut the curd. heavy work with wooden ments, reducing it to pieces of walnut-size and releasing the pale and watery whey, which is drained off and goes to feed the animals. The curds themselves, with a good handful of sea salt, are soon begins a four- to five-day process of turning and salting the emergent cheeses top, bottom and sides. Ten or 15 days in the storeroom they go for up to three months of maturing in a cave located somewhere in

It was this I had especially wanted to see, since I had already failed in the Picon-producing village of

Cheese box.

Adera Hopkins travelled from Pivmouth to Sentencier with Britten Ferties, Tel: 0990-360360; A 10-day return crossing for two adults, car and two-berth cabin in both directions, costs from £482° (prices based on last two weeks in September). He then travelled a further 1% hours by road and stayed in Arenas de . Cabrales, in the notel of Angeles and her sister-inlaw say that each offers a village style holicisy home

for rent in Poq de Cabraies, Asturias, Lots of rooms, no English spoken. Beles (renowned for its iso-

lation and sense of secrecy). When, after some hours of parley, I asked if I could see a cave, everyone looked at their feet and shuffled and suddenly had work to do. But Angeles and Pelayo,

although country people through and through. belong to a different, more open world; so off we went in a little station wagon full of churns (ready for milk Many of the caves are

high up in the mountains. But the one to which we now made our way was surprisingly low, just a short way up the road from Are nas de Cabrales, a couple of kilometres from Póo. A path behind a little barn

led up through woods, with legs. And suddenly there was a shaft going straight into the hill, with a wooden door 10 or 12 metres in. Angeles unlocked the door (although cheese rustling is apparently unknown in the area) and issued torches, worn on the head with a rubber mounting. We entered looking like coal-

There was nothing too unusual about the comparatively short and regularly formed cave - except that it was running wet, essential to the process, and it was full of wooden shelves on either side packed with a dense assemblage of blue ch eses, all in varying states of maturation.

smell expressed the culmination of a truly rustic mystery. Long may it endure.



A vibrant new Spanish style

Sue Style considers the changes in Spanish cuisine when she eats out in Madrid's restaurants

"The feeblest cooking in Europe is in a thin slice of smoked salmon the Spanish, when it tries to be European, and stoops its splendid old stews, crabs and lamb chops for some dismal travesty of the French

o says James Morris in his classic book on Spain, published in 1964 by Faber and Faber (price 12 shillings). But many things have changed in Spain since then, food included.

While traditional cooking still abounds, a new, vibrant style, valid in its own right, but grafted on to the revered indigenous base, has emerged. Spanish food, free from culinary censorship, bounding with self-confidence and practised by chefs of considerable talent, has come of age.

Hats off first to Abraham García, chef-patron at Madrid's Viridiana. The restaurant is strategically placed near the Prado museum. García likes to build both Moroc

can and Mexican influences on to the essentially Iberian base of his cooking. His tasting menu is a good place to start. A patrician sliver of duck liver.

with a caramelised jus based on an olorous Pedro Ximenez, precedes a more proletarian stew (estolodo) of wheat lentils and beans with saffron served in a mini-paellera. Then there is an assortment of anchovies and fresh sardines seesoned with a mysterious Andalucian herb, a tuna tartare enveloped

and a flour tortilla filled with courgette flowers à la mexicana. A toothsome sole fillet wound

deftly around a prawn is served on a saffron sauce with diminutive wild artichokes, followed by a trio of wild boar and venison medallions in a rich Banyuls sauce enclosed in a triangle of piped apple purée and garnished with lavender it is hard to nurse through a north European winter. The wine list is as much fun as

the food. It starts with Garcia's "magnificent seven", a notably unchauvinistic selection featuring Vega Sicilia, Romanée Conti. Pétrus, plus wines from Ferreira (Portugal), Gaja (Italy), Caymus (Napa Valley) and Penfolds (Aus-

Our Verdejo from Belondrade y Lurton in the Valladolid area was smoky, well structured and long-lived, while the animal spirits of an Abada Retuerta Rivola (from a new Swiss-owned vineyard in Ribera del Duero) did well with the game - and the ensuing cheese. This was the unmissable Torta del Casar, a kind of springtime Spanish equivalent of Switzerland's autumnal Vacherin Mont d'Or. It runs about in an undisciplined way and is accompanied by acorn bread and a fruit-and-mit flavoured copita

The rhubarb and strawberry sorbets and the velvety yoghurt liberally bathed in yet more of Xime-

nex's nectar were wonderful, the concluding tiramisu probably a mistake (ours, not the chef's).

Hats are something of a hallmark for García, a former shepherd and his book is entitled A Bundred Recipes to Take Your Hat Off To. When you pay for your meel the

Madrid restaurants R Visidiana, Juan de Man 14, Madrid. Tet: +84 91 528

M. Casa Benigna, Benigno 91 413 33 56 III La Tabema de Liria

Dúcue de Livie 9, 28015-Madrid. Tel: +34 91 541 45 19

crown of a silver headpiece. Another interesting address is

the Casa Benigna, hidden away in. a nondescript street in northern Madrid. Chef-patron Norbert Jorge, clad in jeans, check shirt, navy blue apron and half-moon glasses, looks more like a university professor than a chef and commutes between Oslo (where he has a second restaurant) and Madrid, trafficking - entirely legally - in olive oil, wine, herrings, smoked reindeer mest and squavit. A recent taster opened with char-

grilled vegetables - mangetout, asparagus, artichokes, courgettes and carrots - informally served, as is all the food, on a platter in the middle of the table. The ensalada Alicantina comprised morsels of salted tune roe, air-dried meat and

We sampled a crisp Albariño from the Riss Bajas, and two quite differently styled Riojas - a total-Tempranillo Ochoa, cheerful and fruity, designed for early drinking, and a more weighty Tempranilio Cabernet Sauvignon blend, Roda II

Rice is one of Casa Benigna's mecialities: try the Arrox a Banda. a mound of shellish-infused paella-like rice served with a generous infestation of extra shellfish. The slow-cooked sea bass proved pink and juicy, and the piece de résistance was a slab of sweetly marinated duck breast with its own private stew of broad beans, all cradled in a crisp leaf of brik

There are cleansing sorbets of kiwi and other fruits, and considerably rich chocolate-based mousees

Different again is the Taherna de Liria, where young chef Miguel Lôpez Castanier (who writes a cooking column in El Mundo's weekend pages) and Sonia, his pariner, make a formidable team. It is an intimate little place with a handful of tables (30 covers), quiet corners and Moorish-inspired tiled arches, Here, as in most Spanish

restaurants, it is best not to free over the menu. Just when you think you have arrived - with some relief - at a decision, along comes Sonia with a further list of irresistible dishes.

Among them, in addition to crusty Parmesan croquettes and a salad of marinated sardines with tomato and lettuce sorbets. is an earthy lentil stew combined with chipirones (equid) in a peppery tomato broth, steaming in a small

"Nothing helps scenery like ham and eggs," observed Mark Twain. At the Taberna, the outlook is greatly aided by a ration of sunnyounils' eggs with crist dice of Serrano ham and a tomato purée sweetly flavoured with honey and basil:

The open empana similar to a Cornish pasty) is a somewhat confused combination of fole gras, onion confit and mango set in a deep-fried pastry case. Sea bream in a salt crust yied for our attention with a rich daube of wild

Both went well with the suggested Val Sotillo Crianza. which had spent a beneficial vest in berrique and a further year maturing. The concluding espejo de limon was a wonderfully sharp lemon mousse, light relief from the otherwise exceedingly rich and achingly sweet run of Spanish desserts. Death by chocolate was posed by the guirlachada de choco-

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In Bilbao, real men make *bacalao*

All-male gastronomic clubs have an obscure origin. Adam Hopkins visits one of these cosy nooks

n old man with white hair and trembling hand is chopping onions. I watch with trepidation. He wears a tie. The spectacle case in his shirt pocket sticks out above the top of his long apron. Juan José Romano, my host, otherwise known as Juanio, agitates an oven dish, causing some half a dozen pieces of salt cod to shimmy across the bottom in their thick yellow

Right or 10 other men, mostly with smart shirts and suit trousers beneath their aprons, are frying steaks, or doing squid on hot plates, or scrambling eggs to go with the beautiful spring mushrooms known as perretrikos, gathered from the Basque hills and

One man is decanting bottled leeks, a local favourite, another arranging a mountainous mixed salad, all in a cheerful hubbub of male voices.

For this is a Bilbao all-male gasronomic club, known in the city as a txoko. The word, which is Basque, means a cosy nook or comfy corner. Policy has softened over the past few years and women may now come as guests at weekends or on public holidays, provided they do not enter the kitchen or try to help in any other way. Cleaning up will be done afterwards by the hired (female) belp. Preparations for the evening had

begun early. We met in the morn-

ing in the Alameda de Mames, on

the same street as the croke. There pil-pil (the same is an emulsion of 100, suggesting perhaps 5,000 parwas myself, Juanjo and José Luis garlic and clive oil) and its variant, ticipants in the city, not allowing was myself, Juanjo and José Luis Iturrieta, food writer on Deia, the Basque paper, and likewise destined to be a guest this evening. It soon became apparent that Bilbao was well enough stocked with high-class foodshops for all the necessary shopping to be accomplished within about 150 metres. We hought a hand-picked selec-

tion of small green peopers from pearby Gernika (regarded locally as superior to those from Galicia o Murcia). They had to come, said Juanio, from a shady corner of the field, picked before the flesh had filled out too far. "I eat thousands of these during the summer," he

We bought broad beans, small and bright in colour, and a massive quantity of cherries. "Ah," says an unknown specta-

tor, "when the local tomatoes come in, then it's a different world."

"It's not like England," says Juanjo - TV scriptwriter and travelled man. "If you go to the supermarket there, you get fruit that is either unripe or just on the point of rotting." We pitch up in the cod shop of Angel Lorente, a wellknown chef who now sells precooked salt-cod dinners. He is to be a guest tonight as well, and will contribute a dish of salt cod or bocalao - naturally.

It is a lovely shop and Lorente instructs me - quite comprehensibly he could have been a teacher - kos in Bilhao, with an average in the art of making buculoo at membership that may reach 80 or from medieval guilds.

after which his shop is named, the thoroughly local bacalao al club Ramero (in effect, bacalao al pil-pil with a vegetable stew added). This is what we will eat tonight. Meantime, we drink a little fresh white day. Scrumptious.

At 8pm, we are assembled in the troke, in a general frenzy of cooking. The kitchen opens wide on to

'Now we are eating cod balls. fried small green peppers and broad beans with sausages

the dining room, which extends benesth a wooden chalet roof. This has been inserted as a noisebreaker in the basement of an otherwise ordinary apartment building. It is a busy night with maybe six or seven erouse of friends, all cooking each known as a cuardrilla, like a bollifachter's team-

The tables are set carefully, as in a restaurant. Most people are sipping a little wine and chatting nonstop while they cook or wait. It seems there are about 50 exc-

for guests of whom there are a good many. Juanjo attends seven or eight times a month - a lot of all-male dinners. "Cooking," he says, "is mi afición, my passion." San Sebastian is usually

regarded as the fountainhead of the Basque phenomenon of menonly gastronomic societies. But Iturrieta believes the honour should belong to Bilbao, the older and more important city. He has discovered documents which appear to date the habit back to the 1820s and arms me with a sheaf of cuttings on the subject. But if the date of their origin -

pace Iturrista - is obscure, the rea-

sons for their existence are even more so. Some maintain that in the supposed matriarchy of the Basque country, there has always been a social separation between the sexes, although if this were ever true, it is clearly less so nowadays. "A stereotype," says Juanjo. By now we are eating cod balls, and the small green peppers, fried in olive oil, to be followed by the broad beens with various types of sausage, once again delicious.

Others believe the clubs are a spill-over from life at sea or on the mountains (charcoal burners are mentioned favourably in this context), with groups of men responsible for their own food. Another the ory is that they started as political discussion clubs, or even derived

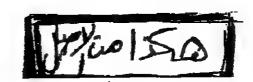
There is, however, one general belief among the members - that women have always favoured the existence of trokos because then at least they know where their husbands are. And they are democratic. Our very own Gure Tzoko, where the feast is in progress, is a mix of business people, the liberal professions and white collar workers, with maybe 10 to 15 per cent manual workers.

By now we are on to the bacala it's delicate and wonderful - and talking as hard as we are eating. Juanjo and Angel Lorente are both from the same small town in Navarre and spend some time reflecting on their respective

We talk about Rungi, too. Sixty to 80 varieties are collected and eaten locally. We talk about vegetable gardening, and about mad cow disease (another brickbat for Britain) and whether rice is eaten mor widely on the left or right bank of the River Nervion as it flows down through Bilbao and into the Bay of Biscay.

it is, as you might say, quite foodie evening. The cherries put scarlet seal on it.

Adam Hopkins travelled to Spain with Brittany Ferries, sailing from Plymouth to Santander. Tel-0990-360360. He stayed at the Hotel indautzu in Bilbao - ground arrangements made by Mundi Color (0171-828 6021), which can arrange tailor-made holidays throughout



PROPERTY

breeders in their own generation, as if

their one aim was to breed ever more

will look bitte. But, of course, breeders

plant, scarcely a foot high, whose abundant flowers are a rather off shade of

and distinguished. It is another winner

which flourishes in dry, poor soil and it

has helped me adjust several square feet around it into a picture which

would have been impossible without

Max Frei's efforts. Anyone can grow it;

write off yellow flowers in August as if

they were rancous and horing. I

remember throwing out one or two

change of good double yellow Helian-thus which grew without trouble at the

back of our border. Now they are back

on the map and I have seen some excel-

lent forms, said to have been living on

zince the 1980s, beyond my destructive

Until those are more widely avail-

able, we can all enjoy the wide yellow

flowers of one called Commoch Star.

which reaches a height of 4ft or so and

stays tidy, and even the dahlia-shaped

flowers of the rich yellow Gullicks

Variety, which had been almost hen-

ished from serious gardens when the

most of the family, these two are twice

as good in rich soil, although they will

flower more modestly in dry, poor con-

When the great plant-hunters were

most active in south-east Asia before

communism and the world wars, their

backers encouraged them to look for

shruhs, especially ever more types of

rhododendron. The return to these

regions in the past 15 years has

revealed how many good hardy plants

were left to be discovered at a lower level. We have discovered more, recov-

ered many others and bred new break-

throughs in the past half of a lifetime,

als can now shape, colour and design a

whole string of plantings which were previously impossible. When the con-

stituent parts change, the whole art changes with it. Architects are still

playing around with the same hard

surfaces and glittery reflections of

light. The planter's eye view has

moved furthest and, against the odds,

it is gardening, not designing, which

has proved the more adaptable:

Gardeners with an eye for new arriv-

grasp, in ireland.

ditions.

and it lasts until late September.

Gardening

Plantsmen's progress

Robin Lane Fox is comfortable with a decade of invention

here has been a long-run- many of them on sight. One of the eas always want to believe the worst of ning war between modernists, who want to build gardens with nothing but hard surfaces, and the rest of us, who want a flowery paradise or to think green thoughts beneath shady trees. The modernists are usually architects or decorators who think that of the best varieties is to give them scapwort which originated in Gergardeners are harking beat to lead and gardeners are harking back to lost varieties which were around at the time of their great-grandparents. Gardeners Sultan with red flowers and brown think that architects have a way of making gardens glaringly uncomfortable. They also have more patience.

I side with the gardeners who are artists as well and working to a longer, cheaper timescale. It is simply not true that gardeners of this type are trying to do the same old thing or to recreat the lost world of their grandparents youth. It is merely that the main changes happen in the detail and then set off further changes up the scale until we realise, often by looking at old photographs, how far our art has changed. Small variations in the plants available to us are as influential as the changes in the range of paints which distinguish artists in the 15th century from those 100 years earlier. While weeding and travelling, I realise how far we gardeners have come in the past decade and, at the micro-botanical level, how much is new.

The newness really shows in borders and lists of hardy herbaceous plants. Some of them are recent collections which may one day become as common as catmint. One of my delights in August is the green-yellow Euphorbia Schillingti, which stands out in this month's colours and is extremely easy to grow, even in dry soil. Its namesake, Tony Schilling, found it relatively recently in the Himalayas and told me that it should not be divided but is best increased from seed. I recommend it colours are emphatic points round and admire its ability to compete with which to build a new design. Pokers

weeds and survive drought. I am not sure if anyhody collected another emerging favourite, the sky-blue flowered Scutellaria Incana, but it dark coral on the magnificent Nancy's is another winner which suggests new groupings around it. It ought to be widely sold because it stands up neatly at about 2%ft and has pretty grey leaves to set off the flowers. Probablyhardy in a bad winter, it has delicacy and impact and I first saw it only seven years ago in the great Worcestershire has now changed, old pokers have be split easily and is immensely

Revivals can be as effective as new imports from the wild. So many new. of the past.

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biggest lists is offered by Cotswold Garden Flowers at Sands Lane, Badsey, Evesham, Worcestershire, where I awful roses, cultuinating in one which recently admired some unfamiliar forms among so many excellent border do make progress and we forget to plants in the nursery's grounds.

sufficient water as well as sunshine. I many: Saponaria Max Prei is a simple never remember seeing forms such as plant, scarcely a foot high, whose abunleaves or even Solfaterre with flowers of pale apricot until about 10 years ago. On well-drained soil they are relatively hardy and the full range now reimming to the market transforms the possibili-

We have also been slow to wake up



to the far from red hot pokers or forms of Kniphofia which belie their popular name. Cotswold Garden Flowers has a remarkable list of the good forms in this family and a few of the unusual now come in cream and green, as on the small and easy Little Maid, coral-Red and cream with a dark stem on Tawny King which is spectacular but very slow for nurserymen to increase.

. I remember suggesting hot pokers to and they looked as if I had just applied one to their sensitive parts. Fashion garden of the late John Tressure. It can: come out of the woodwork and this one: change in the range of plants has touched off a whole series of miniature landscapes which are not an imitation

Other new arrivals are hybrids with that I cannot distinguish between relatively modern names. Some garden-

rices for the best country properties the first three months of 1998, but the increase slowed to 2 per cent in the second quarter. according to the latest restdential research bulletin from FPDSaville.

Up to March 1996, the vear-on-vear average increase was 8.2 per cent. But since December 1992, when the English property market started to pull itself out of the gloom, led by smart central London, prime country prices have risen 58 per cent, the agent estimiates. This contrasts with a 98 per cent rise in prime London over the same period, mainly reflecting high incomes in the financial sector and the internationalisation of the

These influences have spread to the country where, as in London, it is the uricey, rare properties that have risen fastest. The index of properties of more than film shows them streaking shead of those in the £500,000-£1m and the \$950 000-5500,000 brackets. A 99 per cent rise in the fimplus bracket over the past five years, says FPDSavills, even beats central London (93 per cent).

Edinburgh record

In Scotland, the Edinburgh market is strong, the latest survey from the Royal Institution of Chartered Survey ors in Scotland reports. A record price of nearly 200,000 was paid recently for a three-bedroom flat in a tenement building in Marchmont, while flats in the New Town and West End are 20 per cent higher than a year ago.

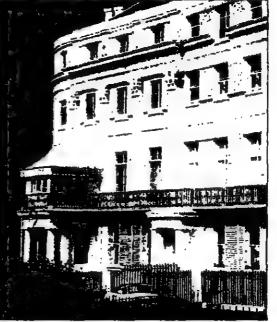
in Murrayfield, around the rugby ground, houses now sell for £750,000 to £1m. says Charies Dudgeon of FPDSavills, allowing vendors to move out of the city and put their money into a good property in the Boriers - "the sort of place that went for £400,000 in 1990, £300,000 in 1992 and is now £500,000 to £600,000".

But, Dudgeon cautions, the Scottish housing market is still patchy. The Highslow, except on "royal" Dee-



On the Move/Gerald Cadogan

The price of rarity



waiting to put on dead men's shoes"), and so is the south-west, except for northern Ayrahire, Stirling and Loch Lomond. In Fife, Lothian and the Borders, house prices are generally

above their 1990 peak.
On the Southside of Edinburgh, Rettie (0131-220 4160) is selling Ettrick Cottage (19 lands and north-east are Polwarth Terrace), converted from a coach house

side ("where it is a case of and stables, with a good garden, for offers over \$525,000.

Fife House (1 Lewes Crescent), listed grade 1 and mostly the work of Thomas Cubitt, the architect-developer of Belgravia, is one of the best Regency houses in the Kemp Town development in Brighton, when the Prince Regent's patronage ensured the town was the height of fashion.

1820s, the house, set on the curve where Chichester Terrace joins Lewes Crescent looks out to see and over the private gardens in the crescent. A tunnel leads from the gardens upder the

main road to the esplanade. The owners' annual pay 2250. Fife House, needing work, is priced at \$650,000 from Jackson-Stops (0124)-786316) or Jonathan Rolls (01273-694997).

Voysey design

in Kidderminster in Worces-tershire, Oakhill (54 Hill Grove Crescent) is a good Crafts style, designed by CFA Voysey in 1898, With a grade II listing, it costs £340,000 from Andrew Grant (01905-24477).

Hereford sale

Sixteen years older (1882) is a substantial Victorian bouse - with tower and rich polychrome brickwork - in Hereford, Easton House (56 Bodenham Road), with its walled garden and seven bedrooms, looks excellent value at £265,000 from Bill Jackson (01432-344779), At Pembridge, Herefordshire. the agent is selling half-timbered Kings House, with five bedrooms, for £169,950.

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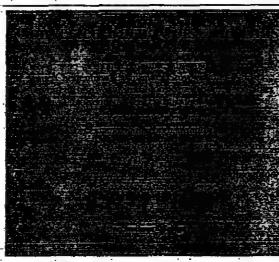
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Tender loving care on Cornwall's coast

America's biggest house is being built beside the sea. It's not so easy in the UK. Anne Spackman reports

n the shores of the Hamptons at Sagaponack, a New York millionaire industrialist is creating What appears to be America's largest private house.

At 100,000 sq ft, the complex will be more than twice the size of Bill Gates' new home in Washington State and a quarter the size of Buckingham Palace.

For the industrialist, Ira Rennert, and his wife, it will presumably be a dream home. But one man's dream can be his neighbour's nightmare. Many who moved to the Hamptons for the simple pleasures of a verandah overlooking the water wish Fair Field could remain a site for growing potatoes.

In the UK such a project would be unthinkable. Unspoilt coastal locations are considered to be public property. The ambitions of individual owners are curbed by environmental orders preserving their beauty for the general good. It would be impossible to

obtain planning permission to build a new house on a greenfield site overlooking the sea. But that does not stop

people from wanting a Hamptons-style beach house in England. They simply have to adapt their ambitions to a different set of

The chances of buying an impressive period house are quite remote. As Martin Lamb, who runs Knight Frank's operation in the West Country, points out, large houses were traditionally built inland to avoid sea winds and waves.

But the odd gem does come up for sale once or Cornwall. Knight Frank is currently selling Havencliff by the sea at with Miller it is selling Pen-





Regency elegence adapted on a 1920s house

are House at Manaccan, with a lane leading down to a cove. Both houses are priced at 2750,000.

For those who want to cre-Axmouth in Devon. Together ate their own house, the only option is to buy an ugly by Gavyn Davies of Goldman

property, knock it down and start again. Marchand Petit in Kingsbridge has a couple less than £400,000 which might fit the bill.

Such a course was taken

Sachs, and his wife, Sue Nye, who works in the office of Gordon Brown, the UK chancellor. They replaced an eyesore, a Victorian hotel on the north Devon coast, with Baggy House, a contempo-

rary, award-winning home.
That was ultimately the strategy used by David Hal-sey in Cornwall, though he never expected it to turn out

that way. When he sold his yacht charter business in 1989, Halsey began looking for a house where he could keep his boat outside and which provided beautiful views for his companion, Cornelia. Three years later they found the perfect location, on the Fal estuary.

But a survey of the 1920s house on the site determined that their only choice was to pull it down. Thus what had originally been seen as a sixmonth restoration became a full-time obsession.

Given the prominence of the position, Halsey was determined to build a home that was aesthetically pleas-

He was equally determined to make it environmentally sound. It would have to suit a modern lifestyle, yet last for hundreds of years. "I was adamant it could be done," be says.

The result is a proper described by Country Life magazine as "an appropriate architectural response to its situation and a model for a 1990s country house".

new neighbours.

council officers shared the

same objectives as he and

the Yorkshire practice of

Frances Johnson, Since his

architect was so far away,

Halsey chose a local firm of

surveyors to oversee the

tion of taking out structural

defects insurance. That was

vital. It allowed me to sleep

at night," he says.

He also took the precau-

From the inorganic paint on its walls to the organic gardens, it is uncompromising in its adherence to best environmental practice. Yet from across the bay, surrounded by mature trees, it looks like a well-preserved Regency villa.

This was a particularly important consideration for Halsey. "Plate-glass windows might be nice for us to look out of, but they would have been awful for other people

to look at," he says. At a Association for Environ-Halsey admits, "Whether it the size of a small English local prize-giving he Thus the double doors, explained this attitude to his which lead from the hall Neither they nor the local through to the dining room, planners have been a probwith its three windows lem. Indeed, Halsey says the overlooking the bay, are of.

the Worldwide Fund for his architect, Digby Harris of Some of the details simply took time and determination to get right; others took money. The house was nearly three years in the

Brazilian cedar approved by

On top of the original price of the property, it cost around fim to build the new house and landscape the

Many of his materials "I haven't added up were sourced through the exactly what it cost me,"

I do know is that I haven't skimped on the construction. Where I have cut back is on details in the kitchens and bathrooms."

With the house came 30 acres of land, running from fields on the hilltops. through gardens which had to be reclaimed from wilderness, down to rocks at the seashore. Sixty tons of granite had to be brought down the narrow, bumpy drive,

> Halsey's Cornish house is eround 5,000 sq ft - typically

such as that.

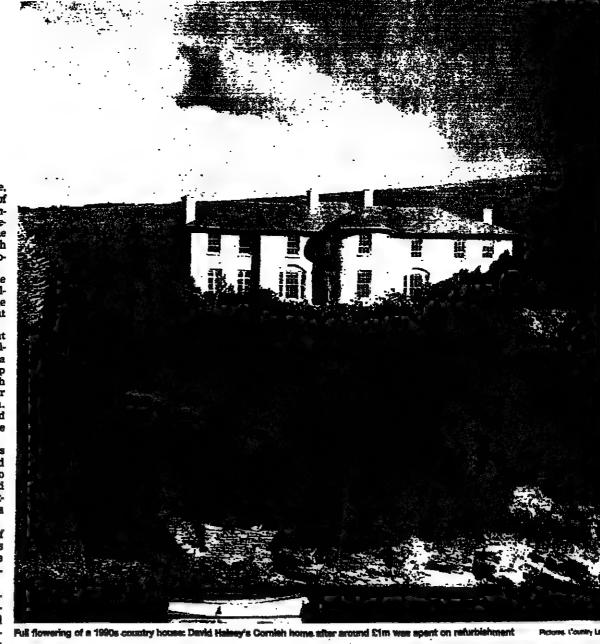
invisible, but vital, features

ment-Conscious Building. is £800,000 or £1.2m, I country house or a tradicouldn't really say. But what tional Hamptons beach house. He estimates that professional fees made up around 10 per cent of the cost - a figure which corresponds to that suggested for such a project by Asbo, the domestic architects' network. Julian Owen, director of Asba, says architect's fees would be between 7-10 per construction costs of

> The result of all the work and expenditure has been the addition of a good house to the landscape, without

between £45 and £80

square foot, depending on



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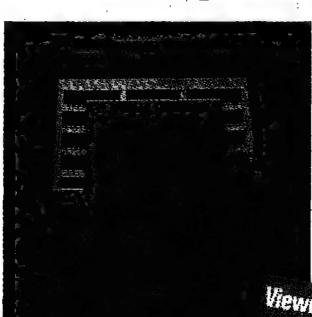
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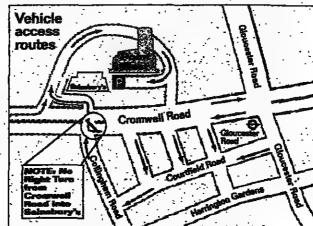
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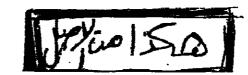


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TRAVEL

An older tradition of battle with the cruel sea

Richard Donkin looks back to a more swashbuckling age

mate up to his waist in water as he clung to the bowsprit securing the sails. It was a real Biscay blow, short enough to smile about afterwards, but fierce enough to remind us all that the sea and the weather make power-

The gales had wrought suffi-cient damage to force the withdrawal of some of the 38 traditional sailing boats competing in the Cutty Sark Tall Ships Races out of Falmouth. We saw one yacht, its mast buckled and rig-ging broken, motoring for the haven of La Coruña in northern

Our own damage was mostly repairable, but the giant rip in one of the square sails would have to wait until Lisbon, the finishing port of the 740 mile first race of this year's series which ends in Dublin later this month. The wind had whipped up in the small hours for the past three nights. On every occasion I had been off watch, sleeping bliss-

fully in my bunk. Anything happened?" I ask

from his watch. Well, first we blew one of the square sails, then we pulled down the flyer which had been holed, the sheets snapped on another sail and one of the lower shrouds snapped. Oh, and the main-sheet block has broken.

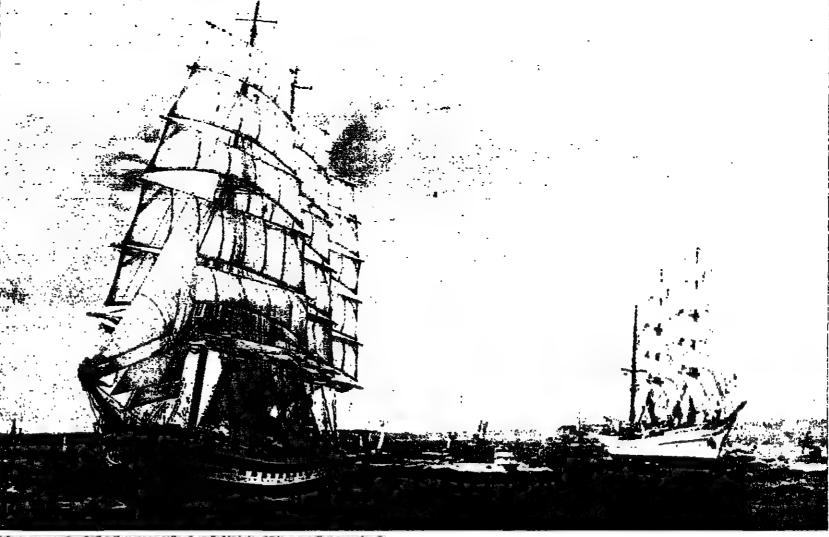
he wind was gusting the excitament, others get all the to force eight, the first sleep.

snooze cruise. Furling the square sails of a tall ship is hard labour needing many hands, which leads to cramped conditions below it was with some surprise, therethe Netherlands-based Swan Fan Makkum, the world's largest brigantine, that I found it had an wardrobe, washbasin and metching duvet and pillow.

The main sail is hoisted on an are furled from the deck using a pulley system and the boat is steered by autohelm. Willem Sligting, the captain, had commissioned a boat capable of winning the event, but he wanted to win in style.

There were occasional jobs. If you stood around on deck long enough, someone would ask you to hold the end of a rope and sooner or later they would ask you to haul on it. But when tacking gave way to downwind sailing the demands became less The captain was gentle on his

trainee crew, half of which, according to the race rules, had to consist of young people between the ages of 16 and 25. "We run a three watch system, four hours on and aight hours off, but if you don't want to get up for your watch, that's OK," he says. Widespread sea sickness in



boat; built five years ago at a cost room with a ballroom-style staircase to the lounge and library with wicker chairs, flower displays, television and hi-fi. There is beer on tap in a bar which Berry Brothers & Rudd, owner of the race sponsor, has stocked with its wines and Cutty Sark whisky. To ensure the race did not become a booze-and-snooze cruise, drinking was limited to an evening happy hour while sail-

But the most effective weapon in the on-board armoury, hidden in the bowels of the ship, is Rini Hoogendlik, the cook, who is ablato combine the abilities of a cordon bles chaf with those of an scrobat, creating and serving imaginative dishes while the boat, at times, is heeled over as

caught tuna is promptly con- surprisingly quickly. There is Watching Kruzenshtern and

Mir, the great Russian fourmasted ships, heading towards the starting line in Falmouth with sailors standing on the spars, you can understand why tall ships racing is seen by some countries as an ideal form of training for neval ratings.

just as in the days when clippers raced each other home with tea from India, people do fall.

Except for the occasional jammed sail or repair, there is little need to climb the Swan Fan Makkum's 120ft high mast. But it had to be done, if only to experiform. Helf-way up I felt like a fly on a spider's web, wide-eyed and desperate, but the fear subsided admiral whose squadron sailed

plenty to cling to. A sweep of the seas revealed a pagoda of sail on the horizon as a fellow competitor drew closes:

Anyone on the bridge of a cargo ship heading northwards west of Portugal, France and Spain could have been forgiven for assuming they had fallen into some kind of time warp. The sea was dotted with sails, tiers of billowing canvas.

There is nothing like the sight of a tail ship in full sail to put the swash into buckle. The only thing missing was the odd cannonball across the bows. Our own flying Dutchman was sailed by a core crew bred on a strong navel tradition that caused a. number of historical embarrassnone so audacious as Michael de Ruyter, the 17th century Dutch

up the Medway in 1667, cutting most exciting most about stilling the defensive chain draped across the estuary and delivering double broadsides to the British ships moored on either side of the river before turning and sailing back

"Every Dutch boy learns this at school," says Sligting. Today. the competition is more friendly but the urge to win is just as strong. With two days remaining in the first race, and only Mir among the large boats ahead of us. Sligting, acting on "local knowledge", sails in towards the coast and loses the wind. Kruzenshtern and one or two others well

Never mind," says Sligting, who, at 41, has been sailing tradi-As the wind begins to whiten the tops of the waves once more, a

HOLIDAYS & TRAVEL

out at sea, cruise past us in the

stop it. There is no brake, no clutch, no gearbox. You have to work together with it," he says. "I have enormous respect for world yachting races but I would

never do it." Once beyond the finishing line. the happy hours become happy days with cocktails on deck and food fit for the gods. The captain is a happy man. With a deep sigh of satisfaction, he says: "This is sailing how the good lord meant it to be.

■ Richard Donkin sailed on The Swan Fan Makkum as a quest of Cutty Sark Scotch whisky, spondays later this year and early next in the Scuehelles, Tel: +31 511

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Botany with Bellamy

Arnie Wilson takes to the Alpine nature trails

party when botanist David Bellamy, and the group of amateur enthusiasts he was leading through the French Alps, failed to turn up for tea

Henrietta, his daughter, had made a delicious orange and sultana cake for them. It sat unconsumed on the table of the Chalet Soldanelle. "I hope Dad hasn't got lost," she said. "He wouldn't take

Not a bit of it. Although he had never led botanical walks in France before, Bellamy – a familiar sight on British television screens -had been totally absorbed with the pleasure of doing what he loves best: telling holidaymakers with a penchant for botany all about the local flowers and plants. all the while scrambling right up to the snowline in the Alps.

As the sun dipped on the Tarentaise Valley, Bellamy was in full flow, his companions as oblivious as he to the tempting smell of dinner pork-chops marinated in honey - waiting up from below: "This is Treacle Mustard. And that's Beech Fern. See how it begs like a dog. There are eight species of lichen on this little rock. This is Birdseye Primrose. And that's a Great Spotted Orchid. And look at this -Good King Henryl In Henry VIII's time, this was eaten as. fleet of foot. spinach. You won't get scurvy with this - but your hair will probably fall out."

tains high above Sainte Foy, where his daughter and her husband live, before unleashing himself on payexperts?" he had agonised to

Bellamy had been study-

ing plant life in the moun-

Chris and Lesley Harrop, who had entertained the amateur botanists at their charmingly restored 16th look

high above the valley.

He need not have worried. For hours Bellamy reeled off the names of dozens of alpine plants and flowers. "Now here's an interesting plant – *Rhizocarpon geogra*phician. And this is fascinating - Spiked Rampion - I've never seen that variant before." It is great fun to see such an enthusiast at work.

"That's Arctostaphylos uvae-ursi - very good for PMT. And this is the bra plant, Biscutella laevigata. so-called because it looks like the top half of a bikini. And here's some Ladies

> As we climb, superb views are revealed across the valley of the glaciers

you beautiful "

We reach Le Monal, a tiny, idyllic, virtually unlived-in alpine hamlet which, we learn, is the most photographed village in Savoie. Bellamy and Rosemary, his wife, live in a tiny hamlet in county Durham. "But it's not quite as picturesque as this," he says. He strides on. at 65 years old surprisingly

superb views are revealed across the valley of the glaciers of the Dome de la Sache. The litany continues. "Alpine Thistle. Giant Alpine Daisy. Yellow Rattle. here - this is the Great Yel- 9111. "Do you think they'll be low Gentian. It's very bitter - the second most bitter plant in the world. Purple Lousewort - that keeps the bugs out of your bed. And

- this is Ladies Bed-

As we climb higher,

hey were ready to century chalet - named after straw. No, not 'bedsore'," he send out a search the purple Soldanella flower corrects me as I scribble corrects me as I scribble frantically. The list seems

> botanists delighted. "The thought of going to a beach for a week does nothing for me," says Andy Primmett, a careers adviser from Corby in North-amptonshire. "I've really enjoyed this, though. And I didn't expect the food to be

"He's got the most tremen dous eyesight, hasn't he?" says Stanton Bull, a lawyer from Sussex. "He can spot a broken petal a mile off."

Just occasionally, however, even the master looks blank. "I hate finding plants I have to look up," he says, They turn out to be the Hairy Primrose and the Life with Bellamy is not

all flowers. "Those marmots were gigantic," says Stanton, over dinner. "Are you sure they weren't sheep?" They must build enormous burrows," says Bel-

The following day, he continues at a similar pace.
"Now look at this," he says, "Equisetum sylvaticum. They used to grow 90ft high. Dinosaurs used to eat them. Look at all this Monk's Rhubarb. See how it elbows the alpine plants out?"

What sort of plant, I wondered, would David Bellamy like to be? "Yeast." be said cheerfully. "They make alcohol, make people happy. And have plenty of sex." ■ Spring and summer

Alpine botanic expeditions in the Upper Tarentaise Valley - some led by David Bellamy - are organised by Momentum Tropal, The Studio, 1790 There is a beautiful clump of New Kings Road, London Alpine Pansies. And look SW6 4RA. Tel: +44 171-371

■ Arnie Wilson flew with Swissair which flies from Heathrow to Geneva four times a day. For flight details, tel: +44 171-484 7800



Botaniet David Bellemy: comm

British Breaks

Quirk and charm

trend towards treble-digit ratures that require treble-digit sun protection factors in your sun cream: cool Britannia indeed. Here is a land where you can still take an individual break - the days in great meeums or small villages the night in non-mass produced rooms. Some of the quirkiest

British holidays can be spent with the Landmark Trast, a charity which pays for the rescue and restoration of historic places by letting them to ests. Perhaps the best known is the Pinespple in central Scotland, a big 18th century summerhouse with a fruit-shaped tower. But there are plenty of others. many unusual and some

extraordinary.
The Egyptian House in Pentance has trapezoidal windows and lotus bud capitals. The Great Hall in erset was the hall of a manor house in 1420. The • Pigsty in Robin Hood's Bay. North Yorks, really was a sty, a human-sized one with Doric columns. All have proper bathrooms, but no microwaves, TVs or telephones. Rentals are available by the week in nummer; shorter breaks at other times. Prices vary widely. Cail +44 01628-

\$25925 for a big brochure -£9.50, refunded on booking. If you fancy staying in . 17th century leading in uncluttered countryside Country Hotel in Devon. hosts Gill and Tim Casey rescued it from derefictio and take just 14 guests at a time. Meals are esten dinner-party style ground a single long table. A friendly place, & feels remote – but you can see Dartmoor in one direction; and the Cornish coast, with its surf.

the other. Telrere ciouble rooms from 255. To tour the country in style, stay at Charles Manor Hotel in the miles of motiving in a three nights for two Aston Martins and Ferraris extra

Call 01886-593555. Something even t active, perha reegies in Scotland w falcoury school and an equestrian centre on the estate; lots of weakles nearby ... and 13 golf courses within 20 miles Take an apartment (al four) from 2770 a week. Book through Sporting Holidays, +44 6117-900 8248 Or you could by something new Learn' fish, for instance, on a

weekend oomse (Septem) 25, from £189) with Coldentali: details from 0161-238 5206, Take a culinary day out on the Orient-Express on September 10: travel on the luxury train from London to Southampton (with impagne brunch) for a cooking demonstration at Beaulieu by TV chef Gary Rhodes, you eat it on the return trip. Book on 0171-805 5100; £230. But if you've had quite

enough activity during your working year, sound the retreat. Take a break From pressures at St Surrey. Not quite your relaxing rather than austere, spiritual rather than religious, no faith required on your part – it offers salm, comfort and rein for contemplation.
One night stays cost £33.50, including meals. Details

and its induced gardens. John Westbrooke

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The Contract of the Contract o

s the well-lubricated man in the bar told me with inimitable Irish logic: "Sure, Dublin s the well-lubricated wouldn't be the same without them being there to make it so

Somewhere amid a dark whirlpool of Guinness, we had been swept into a discussion of the city's finest tourist attraction its great Georgian houses. I had praised the way they had been so well preserved when other towns and cities had been turned into concrete jungles. His answer sounded as contradictory as before. "Ay, tis grand we still have such fine houses thanks to them making such

Yet he made plenty of sense. Strolling around Dublin's gracions squares and broad Georcommerce more than conserva-

City Break/Bill Glenton

The splendour of Georgian Dublin

TRAVEL

tionists deserved praise for their in the butlers' pantries. preservation:

The city's Georgian heritage was in trouble until a few years ago when many husiness people, from accountants to pop group entrepreneurs, appreciated that the hundreds of four-to-five storey buildings would make good, central offices. .

Yet if the facades paint an appealing picture of a more gracious era of horsedrawn carriages and oil lamps, the interiors speak more of today's electronic wizardry. Computers gian streets, it was obvious that have replaced the Chippendale and there are photo-copiers

My appetite was whetted for a more fulfilling, more liveable Georgian experience. Was there nowhere in these long terraces where one could enjoy being part of their history and not just a spectator? I was hardly likely to satisfy

my yearning in the Computer Training Centre and I certainly was not eligible for the Young Priests Society. My sympathies went out to Oscar Wilde making a sculptured return to Merrion Square, where he had spent his childhood at No 1. Reclining on a large rock in one corner of the

square's fine gardens, he seemed rion Square and converting it to be gazing ironically at his old into the only guesthouse there. College.

It was a pity I did not qualify for legal aid since there are scores of lawyers' offices - so many it must suggest that the Irish Republic is one of the most litigious countries in the world. But it was a solicitor who proved my salvation, and that of many other visitors in search of a more rounded Georgian expe-

In 1997, Ann Neary boldly stormed the office harricades by buying, at great cost. No 31 Mer-

home nearby, now the American Now this 250-year-old, five-storey stately building - a former lawyer's office no less - has

comfortable rooms for 40 guests. Out went the filing cabinets, and in went traditional furnishings. If not strictly Georgian, the Merrion Square Manor's interior at least gives visitors a richer historical experience. "We have done excellent bustness ever since we opened," Neary said. "Being part of the Georgian scene is undoubtedly a big attraction - especially in meh a central location."

during my overnight stay had preferred the guesthouse to more modern hotels. Most visitors, however, will have to be content simply strolling around the Georgian streets, perhaps taking one of several walking tours. Dublin is what Americans call "a walking city", although many might also scorn it as "a smoking city". I have never seen so many cigarette ends lying in

Several of the guests I met

pleasant capital. Still, there is much remaining that Molly Malone would surely

the streets as there are in Dub-

recognise. Yet did I trace a certain wistfulness in the sculptured face of the locally nicknamed "tart with the cart" as she faces up Grafton Street?

Now a pedestrian precinct, this once most classy Dublin shopping venue has succumbed to the rash of typical high street shops. Cockles and mussels have been replaced by McDonald's

and Burger Kings. However, the city remains much the same vibrantly human place it was in the author James Joyce's time, with friendly and helpful inhabitants. Asking directions can have the double bonus of leading to good "craic" with complete strangers. Needless to say, visiting a bar is usually a sure way of finding companionship.

lin. The litter mars an otherwise Information: The Irish Tourist Board, 150 New Bond St. London

OUR TALL PERSON SUITE 15 EQUIPPED WITH A FULLY ADSUSTABLE FLOOR LEVEL.

Hitting the high spots

... or not, as the case may be. **Kevin Pilley** visits a hotel for tall travellers

isn't big enough. That is about the size of it, according to tall tourists and long-in-the-leg holidaymakers. There are just not enough decent hotels to accommodate them. Europe's headbangers are there-fore taking their cases to Maastricht. For most tall people, going on holiday is a oig pain in the neck.

Holidays are largely designed by - and cater for ordinary-sized people. But there is a biggish market for "Tallie Only Tours". More than 1.3m people in the UK, 3 per cent of the male population, are over 6ft 3in and the average population height is reported to be increasing at a rate of %in a decade. More travellers are therefore likely to suffer

You do not have to go up the Alps to get altitude sickss. You can get it in your hotel room. You can even get it sitting on the lavatory. To a very large extent, facilities just do not measure up. Most boliday destinations are ergonomic disaster zones and a huge let-down. Dutch hotelier Paul Rinkens, a mere off in in his unclogged you stayed in our tall room,

feet, is the proprietor of the Bergere Hotel in Maastricht, which is said to be Europe's first, and so far only, hotel catering for tall people, offering the first long-legs, long weekend break.

He has a made a big effort to design the hotel with the needs of tall people in mind and offers special tailormade packages for guests measur ing over 6ft 5in (2 metres). The receptionist does not get a tape measure out when you register at the Hotel Bergere, but all the door frames are wider and higher than

normal Room 40 on the ground floor is a tall suite and is equipped with a raised shaving and bathroom mirror. adjustable shower and writing table as well as an extra long bed and bath. The restaurant also has tables suitable for lanky diners. In the bedroom, there is also a beanpole-friendly WC which can be raised to optimal comfort height very much like the seat in a passport

photo machine. The only thing in the hotel not geared towards tall people is the lift. I did not need a ladder to press the button to get to my floor. "If

notice the difference but tall people are very grataful for the little touches," said Rin-

"We had a honeymoon couple here recently. A statuesque Scandinavian and a diminutive Chinese. They appreciated the extra leg

The best most tali people can hope for on an aircraft is to have their legs in business class and body

The European Federation of Tall Persons, which held its annual high society ball and conference for the first time in London at the Royal National Hotel, Bedford Way, Russell Square (0171-278 7871) in May, advised on the design of the Maastricht hotel. The 2,000-strong federation has very high stan-

in economy

stature management counselling, shopping advice and problem, too, for someone guidelines to airlines on sat- with a 42in inside leg. sfactory legroom,

600 members, most of whom are overlooked by the travel and leisure industry,

become a growth sector. The best most tall people can hope for when they go on an sircraft is to have their legs in business class and the rest of their body in economy. Rental cars present a perennial problem. No one wants to spend a week driving around with their head sticking out of the sun-

Only Germany, the sympathetic to tall needs the average length of a bed in the US is 8ft 9in. But not everyone can afford executive rooms or to have a double bed to themselves.

Not all people want to pretend to be a professional baskethall player to get the best rooms either. Sports activities are another big person's bugbear. Skiing is still off

you probably wouldn't tries have tall clubs offering generally have skis with size 18 bindings, Bicycling is a

> Ironically, Maastricht's lat-The Tall Persons Club of est attraction is under-Great Britain has more than ground cycling in the limestone mines of Valkenburg. in the Mergelland region of south Limburg. For two This has helped holiday hours, you can pedal away advice for tall travellers to in the semi-darkness through the labyrinthine tunnels - all of which have a maximum bead room of

> under 5ft. Valkenburg boasts the highest point in the Netherlands. Maastricht has a spacious Romanesque basilica, airy country walks and orthopaedically-good-for-you restaurants and bars. The Therma 2000 spa complex is good for cricked necks and Netherlands and the US are for sorting out people who have spent too long in a bath with their knees up to their

Manstricht is leading the way in recognising European tourists and holidaymakers as members of one large extended family. The long and short of it is that it is possible to enjoy yourself in Maastricht. Enormously. The Bergere Hotel limits to most extra large Maastricht. Tel: +31 43 325

Why small details matter in large hotels

Businessman Farrol Kahn visits hotels in some of the world's leading chains and has his own observations on standards and service

high-tech, air-con-Nowadays, cossetting goes beyond the comfort of clean, homely rooms to office hotel is one that combines the business partner.

ments do not always come together. When they do, you it is away. (£ signs stand for get a first-class hotel. In my subjective quest to evaluate service, I stayed at 11 leading hotel chains in Europe

One of the common failpoor coffee and tea they produced. In the Four Seasons, the only way I could get a also a disappointment since, in most places, tea bags are invariably used instead of good quality leaf tea.

the hot water boiler had brofurt airport), the security Square, London) and my confirmed booking did not (Crowne Plaza, Miami). On trousers and the conclerge, who promised to have them mended, was unable to

The inability of hotel guests to find higher man- Four Seasons Regent in agement or appropriate staff, Atlanta esses at a critical moment was also something I considered. The group which I felt dealt best with me was Ritz-Carl-

empowerment, which ing travelling arrangements enables a problem to be or organising last-minute solved more or less immediately. It works like this: when a guest complains, the employee to whom a guest

global chains is getting the pressing and hand car Plan rooms.

insufficient dataports, or no telephone on the desk. Business guests want to be able extensions with full business ness guests want to be able facilities. In short, the ideal to work in their room within minutes of entering it, plugthe surrogate mother with in a PC, download e-mail, read faxes and be in touch with the head office - no matter how many time sones

price bracket per person, per Ritz-Cariton: Hotel in Buckhead, Atlanta, ££££ The Ritz-Carlton Group has ings of all the chains was the stylish properties with period furnishings, museumquality antiques and consistent personal service that sat-

strong cup of coffee was for isfies the most demanding room service to send up a guest. With all the hall-Thermos of espresso and one marks of a private club, from world's finest hotels, it proof bot milk, so I could mix it good dining to meeting facil-myself. Afternoon tea was ities, the club lounge will impress jaded business users with its southern hospitality. In foreign cities, the Ritz-Carlton is an ideal venue to I stayed in hotels where meet and greet people. in 1983, W.B. Johnson, a ken down (Sheraton, Frank- reclusive real estate millionaire, bought the Ritz-Carlton

lock did not work on the in Boston and got Horst door (Marriott, Grosvenor Schulze to run it, He built a appear on the computer one occasion, I ripped my ing ladies and gentlemen." deliver (Four Seasons, New

ton. In my opinion, it is the to captains of industry and best hotel group.

complains "owns" the com-plaint and has up to \$2,000 to service in the 44 luxury This is a cool and artsy

ne of the perks of details right. All of them washes to the replacement of business travel is must be consistent in servers and lost, in-room manicures and continue. Cub more to be pampared by facilities. What can invitate a the provision of children's ditioned, global hotel chains. frequent guest is not being pushchairs.

Nowadaya, cosseting goes able to find a bathrobs, "Whan a gu

on time." A comfortable night thanks to the beds with spe-

cial box-sprung mattresses, Comment: Sticky patch

Leading Hotels of the World. Hotel Turnberry Isle Ventura, Florida, fesse to market some of the

tive and discreet service. More than 70 years ago, &

luxury chain of 83 elegant hotels. Schulze introduced the staff credo: "We are ladies and gentlemen serv-

Comment. The smoothest check-in I have experienced - I was handed my room keys in the back of the courtesy car at the airport.

The Four Seasons is sleek and modern, and the staff manage everything with brisk efficiency. It is geared meeting their requests It has a policy of staff instantly - whether changtheatre tickets.

> first Four Seasons Hotel in . Toronto in 1961 and set the Inter-Continental in Miami. benchmark for quality and £552

"When a guest arrives he wants to start business immediately," says Didier la Calvez, general manager of the Pierre Hotel in New that everything works and is

underfoot on marble bath-

vides the guest with atten-

The design and decor of Cannes and the Amstel in

rooms are either ultra-mod- Amsterdam. ern or period, and are fitted facilities, including silent Hong Kong. I stayed at the Turnberry

southern Florida, which is and a private beach club. Celebrities often prefer to stay at the private Marina described it as an amalgam of European courtesy and American comfort and efficiency.

Comment: Superb break-Isidore Sharp opened the fast. Vast bedrooms.

And the	: Chub Scorafounge	Unique legiuras	Factorie transfers	Lojally/revert system	Plusiness rooms
Pite Carlot No. 1	Dige of the best daily food presentations	Careful assettying of great. profesences	No not discriminate	No	Being introduced
Four Sensore	in only a tew hotels	High level personalised service —	Apparent man Sipalen kecembahan Menerati man Sipalen kecembahan	No .	Executive swites with additional opace.
mading Hotels of the World	20 per cent of boints have those facilities	All five star incisis and acces are the state	De not discriminale	Leaders Clats leviled psembura only, 312 locations	Brainese familities in ell holais
Intercontinental	20 per cent of hotels investing facilities	Long column influences	Do tot discription	Global estange revends in 187 properties	High-took facilities
Hyatt	Regency Sour in most properties	Doding architecture	Die test afteriolisate	Gold pumpert for 177 proporties	Statement plant equipment and phone check-in
Militora.	Quality Solities	Double dippling loyalty system-points and pales are asserted each stay	All rooms larve electronic looks:	408 locations workleide Hillon honours points and unlies	Date ports standard
bligerfolt.	Selfet breekjast and completentary sortika and tirkis	Congletest and triansity veryice	No hait discriptions	Honored Scient Marriett police, 1,300 locations	The room that works with visible sinctrical pullets
(i) Shering	Most properties have tiese facilities	Comprehensive traquient guest programme	Six point plan to enhance exceptly of female guests	Sheraton Club interceptional for 461 properties	Situat recent Date of the joint recent officest
Crown Pieza	is algoritand key olly hotels	Check-is winnerer you want over at 7am	Do not discolvelous	Priority Glab in 136 leastions	Produces condras
Recieds	in a few botsis	Three-tier choice of hed and breekfast, readside or four-size totals	Do not distrinuosis	Resende business Card, points and aircolles	Pasiones class room, Deleport SA loar trackings access
Holiday Inn	No	Family friendly, children up to 19	Do not discriminate	Priority Cleb is the world's largest	Stationes contras

group of luxury hotels, as a subsidiary of Pan Am to including the Savoy in Lon-provide accommodation for don, established an organisation for don, established tion to represent their interests. A portfolio of 312
owns an interesting mix of
individual hotels was born modern and period buildMiami Beach. ££££

Jnr. doyen of the hotel
industry.

Over the years, guests ings, such as the Carlton in

Comment: I left a pair of trousers in my room and within a week they had been faxes at the Peninsula Hotel, returned to my home dry-

Isle Resort and Club in Hyatt Regency Miami fffff Hyatt provides ultra modern, an Italianate complex in first class hotels with inno-Ventura near a shopping vative services. Recent mall, with two 18-bole golf developments include delica-courses, two tennis clubs, a tessens in foyers, where 117 ship marina for deep sea guests can buy takeaway fishing and charter yachts, snacks for consumption in their rooms. (This is a good idea as it took 17 minutes for two drinks to be delivered to Yacht Club. One guest my room.) Another new service is to put a fax under reunited and can offer 400 your door to remind you that you have not listened to your recorded calls.

The first botel opened in 1957 at Los Angeles International airport. It set the preexciting buildings.

complains "owns" the complaint and has up to \$2,000 to plaint and has up to \$2,000 to solve it. This may seem a lot solve it. This may seem a lot of money, but the loss of a "We're selling tools to be "We're selling tools to be inst class hotels. The rooms says Douglas Geoga, the "We're selling tools to be inst class hotels. The rooms says Douglas Geoga, the "We're selling tools to be inst class hotels. The rooms says Douglas Geoga, the "We're selling tools to be inst class hotels. The rooms says Douglas Geoga, the "We're selling tools to be inst class hotels." or money, but the loss of a effective and productive are furnished with a blend of president. "We add waterguest's business can cost a energy and array springer and modern items. falls, streams and trees to Middle market group where hour express laundry service hour express laundry service and 24-hour business and 24-hour business and 24-hour business and 24-hour business and 25-hour bu counds.

The name of the game in humidifiers, hourly clothes provided in the Business the atriums."

The group started in 1947 plan room was just too busy. clent service. "Our pursuit of the luxury collection, incor- Belmonte was the youngest

These are quality first class hotels with a high standard of service, Conrad Hilton, originator of the concept of hotel chains, bought his first property in Cisco, Texas. in 1919. The town had struck oil and as his was the only hotel, he turned it into a goldmine. He rented rooms on eight-hour shifts with

three occupants a day. From then on, his hotels notched a series of firsts. including in-room air conditioning, hotel gift shops, airport hotels and a centralised reservations system. Although Hilton Interna-

1964, the two groups have hotels in 49 countries. Comment: I came away with the impression that tre, where you can keep up they liked to do everything properly. One day, I asked

for extra tea and coffee, and

he atriums." chocolates on your pillow at room service.

Comment: The business night, but you will find effi. In 1995, Sheraton launched

have made suggestions for room amenities and today it is commonplace to find irons, ironing boards, blow dryers, brighter lightbulbs, hand cream and hangers with skirt-friendly clips in vour room. For businessmen, the sig-

nificant feature is the obvious electrical sockets, so lap-tops can be used immediately without having to search for them. Comment: Good balance between sleeping and work-

ITT Sheraton. Hotel, Franktional split from Hilton in fart Airport, EEE Modern pastel-coloured furniture is á la mode in this group, and its trademark is the omnipresent fitness cenwith your workout schedule.

started in 1937, is essentially cedent for innovative and the next day my extra sup- a business hotel chain and ply was there without ask- operates 461 properties in 64 venor Square, London. EEE help alleviate jetlag, a four-

in Venice.

come additions for transit tions.
travellers. Business class accommo-

Crowne Plaza: Hotel on Broadway, New York. £££ This is the new address for savvy travellers. Value for and dataport access. money is an important element as the hotels have offered to queueing guests at upscale features such as tow-reception, elling gown, shaving mirror, room safe, dataport and two Holiday Inn: Hotel Oceanphone lines, voicemail, tea/ coffee maker and club lounges.

port, with its seaside walk-A new, interesting brand. equal to the best around.

ville in Miami. ££ Ramada features standard and bland American decor room, and furnishings. The first Ramada Inn opened in 1956. Originally named the Flamingo until the mobster. Bugsy Siegel, decided to use the name for his hotel in Las

Eighteen-year-old Steve rooms.

Hawaii, and the Grittl Palace chain worldwide, the Ramada. He initiated a pro-Comment: Anti-jetlag food gramme which encourages and survival kits are wel- staff to exceed guest expecta-

> dation has been introduced with free newspapers, com-plimentary breakfast, free local calls, incoming faxes Comment: Orange juice

side Mianei Beach, CC Basic and comfortable

describes this group. Kem-Prime sites include mons Wilson founded it in Redondo Beach near LA Air- 1952 as he wanted one-room accommodation for his famways, and on Broadway, ily. This led to the concept of New York, which has clear two double beds in each views of the Hudson River. room. Children stay free and the standard features in-Comment: Club lounge clude swimming pools, air conditioning, a restaurant on the property, telephones The company, which was Ramada Inn: Hotel Deau- and ice. The hotel directory lists several tone-up exercises that can be done in the

> Today, there are more than 2,300 locations worldwide. A staid solid brand. Comment: Good hasic

accommodation on the sea. It is introducing Art Deco reproduction furniture in the

Outrageous slices of a life that keeps going off-course

It could be tragic or heroic. What next for John Daly, golf's most compelling character, asks Derek Lawrenson

even years have passed since a wandering hick from Middle America took up a last-minute invitation to the USPGA Championship and walked off four days later with the trophy. At the time, it appeared the most improbable of scenarios but that just proved how little we knew about John Patrick Daly.

One day they will make a film about this extraordinary sporting life but it is symptomatic of the man that the ending could yet turn out to be tragic, or heroic, or quite possibly both.

This time last year Daly came out of an alcohol detoxification clinic to lead the USPGA after the first round. What will he do when the fourth of the year's major championships begins at a new course called Sahalee in a suburb of Seattle next week? Will he shoot 68 as he did at Winged Foot 12 months ago? Just as likely he will taka 11 down one hole. besmirching both his own name and the sport, as he did at the Open at Birkdale last month. One

thing seems fairly certain: it is unlikely to be a mundane par-filled round of 72. For all the emergence of Tiger Woods, Daly remains the game's most fascinating character. He is

32, and has been married three times. He has been suspended from playing for bad behaviour three times, and has had three spells in the Betty Ford clinic for alcohol abuse. He has also won two major championships in the 1990a. Only Nick Faldo and Nick Price have won more.

On the course, for the most part, he is as he has always been ~ compulsive viewing. At the Bay Hill Invitational tournament in Oriando, Florida, earlier this year, I decided to watch the closing holes of his fourth round. He was not in contention. But the alternative was Fred Funk or a clutch of other expressionless professionals.

The sixth hole at Bay Hill -Daly's 15th, since he had started on the tenth - is a par five that winds its way around a lake. After driving into the water, Daly took a penalty drop and now could either play conservatively or take on a 270-yard carry to the green. I went to watch Daly precisely because of Situations like this: I knew he would take on the dare.

The three wood was struck beautifully and five more yards would have seen the ball finish next to the flag. Instead it dropped into the water. Daly could not believe it. He looked at his caddle. bewildered. He had another go. Another beautiful strike. Again it finished in the water. "Give me another ball," Daly said to his caddie. The same result.

The scene was reminiscent of the finale of the film Tin Cup. where Kevin Costner is a club sional who has a chance to win the US Open but blasts a ball into the lake at the 18th and then cannot help himself, and keeps on hitting balls into the water until eventually he clears the hazard. The crowd watching Daly began chanting: "Tin Cup, Tin Cup." Daly smiled and reached for

another ball. He put it in the water. He reached for another. He put it in the water. At the seventh time of asking he bailed out to the right and made the carry. The fans started cheering as if he had won the Open. Minutes later. Daly tapped in for an 18, the worst score on a single hole in the history of

Now, perhaps, as a serious golf correspondent I should not have been cheering with the crowd and should have been po-faced, like the man from Golf Weekly, who condemned Daly in an editorial. He was right: it was not golf. But it was wonderful

entertainment, a humorous slice of show business before the leaders played their parts, and as it did not affect the performance of other professionals - certainly not his playing partner Tom Watson, who was smiling along with everyone else - I failed to see the harm. Indeed, it was the highlight of the

The crowd watching Daly began chanting 'Tin Cup, Tin Cup'. He took another ball

Less desirable was Daly's bad-tempered cameo on the 18th hole at Birkdale three weaks ago. where he ran up an 11 with a belittled his status as a former champion. "What is going through his head?" asked one journalist. The answer was nothing. All thought was lost in rage.

One might have thought that giving up drinking would have ended this schizophrenic behaviour, but Daly is looking as if he will always have an angel on one shoulder and a devil on the other, constantly vying for No one was blessed with more

talent. Not only can he hit the ball extreme distances, he also has "soft" hands, which enable him to play all the necessary touch shots around the greens. It is an invigorating combination and when the brain is in gear as well it makes him a formidable opponent.

Seven years ago, Daly drove through the night to play in the **IISPGA**, after Nick Price withdrew when his wife went into labour. Daly, therefore, teed up in the first round with no sleep and no idea of the course layout. He still shot 69, and when he followed it with a 67,

he was leading. Naturally, all the experienced professionals were queueing up to predict his demise when the pressure became too intense over the final two rounds. What did Daly think? "I'll just keep on gripping it and ripping it," he said. and so he did. In between shots, he signed autographs and did high fives with the crowd. Nick Faldo.

he clearly was not. He won by three strokes.

Perhaps the next few years were wasted ones. Certainly he made more beadlines with his off-comes behaviour than what happened on it. But rather remarkably, Daly won another major in 1995, and nothing less than the Open itself. There was something deliciously perverse about a man who had renounced alcohol 12 months earlier stepping up to receive the prize of an auld claret jug. It also meant that Daly was the only player at the time under 30 with two majors to his name.

Surely he would now fulfil all his glorious potential? Alas, no. It was in the summer of 1996 that the whispers began that Daly had started drinking again. By March of the following year, they had become full-blown. In Jacksonville, Florida, he came off the course at 1pm, having missed

a cut and went to a bar and stayed. throwing coins towards him, the there drinking for 12 hours. When he returned to his hotel room, he trashed it. The police were called. "Grab one of their guns," Daly cried out to his friend Fuzzy Zoeller, a horrified onlooker who had been called by Daly's petrified wife. "And shoot me in the head."

In the weeks that followed, it looked as if that Jacksonville bar would prove his last-chance saloon. His club manufacturer, Wilson, dropped him like a stone Daly was suspended from the US tour indefinitely, and entered the Betty Ford clinic. There, he cut himself off from the outside world. When he emerged, someone told him that Tiger Woods had won the Masters. He was probably the last nerson on the planet to know. He returned to golf ashamed but delighted to find that people still retained their soft spot for him.

Behind the ropes people started

coins that people who seek help through Alcoholics Anonymous set for each anniversary that passes without drink. He signed with Callaway clubs and Ely Callaway, the founder whose son is also an AA member, has become almost a surrogate father. In March this year. Daly received an AA coin of his own and now he

uses it as a ball marker. . To try to ease the temptation to drink, he has taken up playing the guitar. He writes songs, too, and one has been recorded by an American hand called Duck Soun Its lyrics are corny, but they hint at Daly's own feelings of helplessness as he tries to control the uncontrollable: "People don't understand my life, got all the answers to my life, I am a drunk and I don't understand this

disease, like a merry-go-round that

Stadiums

How fans get a good grounding

Marian Edmunds samples tours of our top sports venues

Changing of the much street cred to be gained from this, particu-larly among teenagers. Almost any teacher bringing a school party to the capital Stadium is top of the list of things-to-do.

A tour of Arsenal's home ground at Highbury in north London is also popular but unless you have the talent of Dennis Bergkamp then dying is probably the only guaranteed way to get on to the turf. Even that just gets your remains to the edge, alongside the ashes of dogfoot or so beneath the pitch.

The head groundsman is. said to be none too thrilled

tour sit in the places their - Bergkamp, Tony Adams or David Seaman climb into the communal bath or sit at the top table in

A goal-packed film is shown in the museum. It is all rather homespun with Ian Cook, the curator, and his colleagues taking pleasure in pinning the red Amenal rosette on the chests of supporters of opponents, particularly of Tottenham Hotspur. Arsensi run tours less as a money-spinner than a public relations exercise to fuel juvenile sporting passions and reward long-beid

of the game at Wembley. Guides lead groups of up to 50, three times an hour. To the accompaniment of cheering and a distorted soundtrack of applapse from a capacity crowd of 80,000. tourists stride through the players' tunnel into the

The pace is relentless, with Des Lynam, the BBC the banqueting suite. sports anchorman, appearever you go. Perhaps being could not be more in conthe rooms occupied by the and television studios - are

and senior administrators make up the small army of volunteer guides for the Twickenham Experience the stadium and museum at the home of rugby union. Visitors are herded into the members' suites which have fittings so spotlessly maintained they smell like a new car. Also sterile and ultragery, which the team dentist says is far superior to his

workaday premises. Looking from the pitch to the grandstand is like standing in the bottom of a huge bathtub - only when empty is it possible to appreciate

what it takes to fill. From just under the roof there is a splendid glimpse of the suburbs beyond and a bird's eye view of the pitch which the guide assures visitors the pigeons rarely have an opportunity to enjoy. They are sent packing by a falcon, brought in to scare them away.

Touch-screen computers provide details of player and team biographies, tactics and footage at the museum.

nce upon a time and there is a sorumning people visited machine upon which nonplayers make no impact. One leaves resolving to obtain tickets for the next big

> Tennis Club, home of the tends to stiract dedicated tennis fans, although as London's tennis-playing frater nity knows, that number Centre Court is only visible from a viewing platform playing and, disappointingly,

> Architecture is the main event for a significant minority of visitors to the stadiums. At Highbury, the tour starts in the grand marble-inlaid foyer of the

1980s, the North Stand does the Art Deco East and West moving to Hertfordshire, or

At Wembley, Des Lynam appears on video screens wherever you go

adopting Wembley as its ground, have been mooted as Arsenal tries to meet an escalating demand for tickets without kicking its architectural heritage and social beritage into touch.

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A venue which is unlikely to sacrifice either is Lord's cricket ground, in St John's

Wood, north London, The guide, a member of the Marylebone Cricket Club, bemoans the nondescript 1960s architecture of

The carvings and turrets at Wembley is humbling but trast with the 1960s Mound Stand with its marqueebig egos - dressing rooms inspired roof. Even more at odds will be the new home for the cricketing media to In contrast, dedicated fans be completed in time for the World Cup Series next year.

A prefabricated building resembling a flying saucer will rest on top of two huge concrete blocks opposite the pavilion.

It is satisfying to mix the disciplines of architecture and sport and the best time to do so is to take the early tour at Lord's on the day of modern is the dental sur- a county match, when you can visit the pavilion, see the players warming up, take in the small but wellstocked museum, and most important, locate the best vantage points for a match.

Impressive though all these venues are when empty, it is a hit like having the best seat in the house when a fixture is abandoned.

Arsenal Football Club. Highbury Stadium 0171-704 Lord's, St John's Wood 0171-432 1033 The Twickenham Experi-

ence 0181-892 8877. ■ Wembley Stadium 0181-902

■ Wimbledon Lawn Tennis Museum 0181-946 6131.

n August 21 1898. a group of 62 Por tuguese immi-Janeiro formed a rowing club which was to change the course of Brazilian foot

One hundred years on, the greatest triumph - Vasco da Gama are preparing for the first leg of the final of the Copa Libertadores, South America's premier club competition. Vasco are at home Wednesday, and, in their centenary year, they are firm favourites to lift the trophy for the first time.

When the Clube de Regaborn, football in Brazil was only four years old. At the clubs, Fluminense, Flagame began to catch on, and

Vasco on course to new territory

Soccer

The Brazilian side is poised for a cup victory to mark their centenary, writes Tim Vickery

Rio State Championship and the other clubs formed a established Brazil as the kings of world football. The game in Brazil was then largely restricted to the Europeanised élite, but the ably, four black players.

Supporters of the Brazilian to be found.

breakaway league.

These were amateur days. but, all the same, no one was averse to making money. Vasco da Gama had captured the public's atten-Vasco team contained four tion. Crowds at their games poor white and, unthink- were bigger than for those of the more established The genteel world of Rio clubs in their breakaway tas Vasco da Gama was football went into shock. league. A peace formula had

The compromise was start of the new century the mengo and Botafogo, for- based on the new "literacy merly so well-behaved, yel- clause". In order not to Vasco took up the new fash- led "leper" and "blood- lower the tone too much, all sucker" at the Vasco play- participants had to be able

the tattempt, they won the Vasco were carved out as form had to be filled in giant Maracaná stadium is But by this time, Vasco before players could take the field. This was beyond is there that Vasco will play revolutionaries. Wednesday's home leg of many of the Vasco team, who were sent to school to get them through the test. The players' amateur sta-

tus was preserved, but Vaseo arranged jobs for gas announced new labour the Bruzilian game. Once them in the small businesses of Rio's Portuguese commu- rights of Brazilian workers. Hished in the 1930s, the Flanity, the club's traditional support. To consolidate miles away in Minas Gerais, effort to steal Vasco's thuntheir position. Vasco built Pelé was growing up a der by attracting the leading their own ground, the Sao Vasco supporter. The late black players of the day. Januario stadium, inaugu- 1940s was the club's golden rated in 1927.

the Libertadores final. It was from Sao Januario's tribune of honour that, in 1943, President Var-

Meanwhile, a few hundred mengo club made a real

less than two miles away, it were no longer the game's

Professionalism, with its twin demands of success on the field and money at the gate, had guaranteed the place of the black player in laws that protected the professionalism was estab-

The move paid off. Flanied in 1927.

age: their team contained a menge have the higger suplit was then the higgest dazzling collection of talents port now, but Vasco are the football ground in Latin who formed the bank of Bra- reigning Brazilian champi- Taffarel's deputy at the Seven years later, at the ers. The following year, to read and write. A lengthy America, and although the zil's 1950 World Cup squad. one. The current bearers of

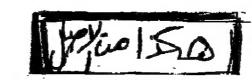
the slightly sinister Maltese Cross may not be as spectaeular as some of their predecessors, but they have resilience and no mean ability. Antonio Lopes has been

coach for nearly two years, an extraordinary feat in the madness of Brazilian footbail, and the team has benefited from the continuity. be too good for Barcelons, The defence is ably marshalled by the veteran then this trail-blazing club, Mauro Galvao, Brazil's 1990 World Cup sweeper, and if explorer, will crown their he is beaten Vasco can count. on the calm of their excellent keeper Carlos Germano, World Cup in France.

A fine tradition of producing their own players is still going strong. The best of the existing is Felipe, a 20-yearold left-back of breathtaking talent, who seems poised to relegate Roberto Carlos to the national side's substitutes' bench very soon. It has already been a long

year for Vasco, though, and the strain is beginning to show in a run of injuries and a few clashes in the camp. International striker Donizete, for example, appears to be going through a personal crisis.

If Vasco can overcome their problems they should and if the final goes to form named after the celebrated centenary year with a famous voyage. They will go to Japan in December to take on Real Madrid for the World Club Championship.



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INTERNATIONAL ARTS GUIDE

What's on around the world

AMSTERDAM

EXHIBITION Stedelijk Museum Tel: 31-20-5732911 www.stedelijk.nl Waves Breaking on the Shore... Ad Dekkers in His Time: works by the Dutch abstract artist displayed alongside works by contemporaries including Dibbets, Struycken and Andre; to Aug 23

ATLANTA

EXHIBITION High Museum of Art Tel: 1-404-733 4444 Self-Taught Artists of the 20th Century: An American Anthology, 300 works by more than 30 artists, all of them without formal training. Includes paintings, sculpture and installations; to Sep 20

E BILBAO EXHIBITION

Guggenheim Museum Bitbac Tel: 34-4-423 2799 www.guggenheim.org China - 5,000 Years: comprising 500 works of art ranging from the Neclithic to the contemporary. Many of these objects have never before this exhibition been seen outside China; to Sep 1

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EXHIBITIONS Kunst- und Ausstellungshälle der Bundesrepublik Deutschland Tel: 49-228-917 1200 www.iah-bonn.de

 Great Collections: the latest in this series of exhibitions is devoted to the Musée du Petit Palais in Paris. Concentrating on the museum's holdings of 19th century French art, the show comprises nearly 200 works and ranges across painting, drawing and sculpture; to Sep 27

The Iberians: between the sixth and

the first century BC, a little-known ivilisation existed on the west of the Mediterraneen bowl. Contemporaries of the Phoenicians and the Greeks, the lbers developed a distinctive culture. Some of the 350 objects included in this display have never before been removed before from the sites of their excavation; to Aug 23

BUDAPEST EXHIBITIONS

Hungarian National Gallery, Buda Tel: 36-1-375 7539 Jozsef Rippi-Ronal: retrospective of the Hungarian post-impressionist, comprising 250 works. Includes: decorative art objects and personal photographs and letters as well as paintings loaned by private collectors transferring to Saint-Germain-en-Laye near Paris

Museum of Applied Arts Tel: 36-1-217 5222 Zsolnay: Art Nouveau Ceramics. Display of 200 objects made between 1897 and 1918 at the family-owned Zsolnay factory in Pécs. Includes coblets, vases and other objects; to

CHICAGO

EXHIBITION Art Institute Of Chicago Tel: 1-312-443 3600 www.artic.edu Songs on Stone: James McNeill Whistler and the Art of Lithography. Around 200 works by the American expetriate, including drawings, etchings and paintings, which demonstrate the importance of lithography to his art and theory; to Aug 30

E COPENHAGEN

EXHIBITION Louisiana Museum of Modern Art, Humleback Tel: 45-4919 0719 www.louisiana.dk Louisiana at 40: The Collection Today. Anniversary exhibition of the permanent collection, designed to showcase 40 years of work. Originally based on Danish Modernism, the museum has since developed to encompass a range of post-war styles. Highlights include works by Giacometti; to Aug 30

E EDINBURGH EXHIBITIONS

National Gallery of Scotland Tel: 44-131-624 5200 Effigies and Ecstasies: Roman Baroque Sculpture and Design in the Age of Bernini. The National Gallery's major festival exhibition for 1998 is a celebration of the outstanding artist of the Italian baroque, Gianiorenzo Bernini. The show also includes a number of drawings loaned by British collections; to Sep 20

Scottish National Gallery of Modern

Tel: 44-131-624 6200 Mona Hatourn: 46 works ranging from photographs and videos to sculptures made from materials including hair, wax, soap, steel, rubber, pins and razor blades; to Oct 25

FORT WORTH

EXHIBITION Kimbell Art Museum Tel: 1-817-3328451 www.kimbellart.org Modernism – The Art of Design 1880-1940: wideranging display of works from the Norwest collection Examples range from the British Arts and Crafts movement and Art Nouveau



Three Nucles in the Mirror', 1912, by Otto Mueller, in an exhibition at the Heus der Kunst in Munich

to the Bauhaus and Art Daco; to Sep 13

GLIMMERGLASS

Alice Busch Opera Theater, Cooperstown Tel: 1-507-547 2255

directed by Leon Major, with sets and costumes by John Conklin and lighting by Pat Collins. Baritone Stephen Powell sings the title role. The conductor is George Manehan; Aug B,

Partenope: by Handel. New production directed by Francisco Negrin, in his Glimmerglass debut, and conducted by Harry Bicket. Cast includes David Daniels and Lisa Saffer in the title role; Aug 8, 10 The Mother of Us All: by Virgil Thomson. Conducted by Stewart Robertson in a new staging by

Christopher Alden, with sets by Allen Moyer, Aug 13. Tosca: by Pucotni. New staging by the team responsible for last year's Madama Butterfly; director Marc Lamos, set designer Michael Yeargan, costume designer Constance Hoffman, lighting designer Robert Wierzel and conductor Stewart Robertson; Aug 9

QLYNDEBOURNE

Glyndebourne Festival Opera Tel: 44-1273-815 000 Capriccio: by R. Strauss. Revival conducted by Andrew Davis and directed by John Cox. The Countess is sung by Felicity Lott. With the London Philharmonic Orchestra; Aug 9, 14

Le Comte Ory: by Rossini. Revival conducted by Yves Abel and directed by Jérôme Savary, with the London Philharmonic Orchestra; Aug 8, 12 Simon Boccanegra: by Verdi. New production conducted by Mark Elder In a staging by Peter Hall. With the London Philharmonic Orchestra. The title role is sung by Elena Prokina; Aug

e Lausanne

ECHIBITION Musée Cantonal des Beaux-Arts Tel: 41-21-312 8332 The Collection of Dr Henri-Augusta Widmer: in 30 years, Widmer collected more than 600 works of art. This display, designed to pay tribute to one of the museum's most generous donors, includes works by Boudin. Daubigny, Chintrauli and Rousseau; to Nov 8

E LONDON ...

CONCERTS **BBC Proms, Royal Albert Hall** Tel: 44-171-589 8212 BBC National Orchestra of Wales: Tadaaki Otaka conducts the UK premiere of Sofia Gubaidulina's And: the feasting at its height. Programme also includes works by Dukas, Szymanowski and Strauss. With cellist David Geringes and tenor Jean-Paul Fouchécourt, Aug 10 BBC Symphony Orchestra: conducted by Mark Elder in works by Berlioz, Liszt, Britten and Prokofiev. With the BBC Symphony Chorus,

Philharmonia Chorus and plano soloist

Paul Lewis; Aug 9 BBC Symphony Orchestra:

conducted by Andrew Davis in works by Ravel and Mozart, and Payne's laboration of the sketches for Elgar's Third Symphony; Aug 13 Birmingham Contemporary Music Group: Simon Rattle conducts a programme of works by British Thomas Adès, Simon Holt and Mark-Anthony Tumage. With plano soloist Thomas Adès and cellist Ulrich

Heinen; Aug 10 National Youth Orchestra of Great Britain: conducted by Mstislav Rostropovich in Shostakovich's Symphony No 10 in E minor. Programme also includes the world premiere of a specially commissioned new work by Michael Berkeley and Britten's Young Person's Guide to the

Orchestra: Aug 8 Orchestra of the Age of Enlightenment: conducted by Heinrich Schiff in works by Haydn, Gluck and Beethoven. With beritone Thomas Allen; Aug 12

 Philharmonia Orchestra: European premiere of Leonard Slatkin's Housewarming, conducted by the composer. Programme also includes Joseph Schwantner's Percussion Concerto, with Evelyn Glennie, and Elgar's Symphony No. 2 in E flat major.

Royal Festival Hall Tel: 44-171-960 4242 Kodo Drummers: return visit by the 14-strong Japanese troupe; Aug 12,

DANCE Berbican Theatre Tel: 44-171-638 8891 www.barbican.org.uk Twyle Therp's two week season ends tonight. Programme 2 includes Sweet Fields, which draws on traditional American choral music, and Heroes, a ballet acore by Philip Glass

EXHIBITIONS Barbican Art Gallery Tel: 44-171-638 8891 The Warhol Look/Glamour Style Fashion: includes screen prints, films, reconstructed window displays, photographs, illustrations and clothing;

Havward Gallary Tel: 44-171-261 0127 www.hayward-gallery.org.uk Bruce Nauman: spanning the career of the American artist, b.1941, this exhibition focuses on his relationship with language, and includes sound and video installations; to Sep 6

National Gallery Tel: 44-171-839 3321 Venice through Canaletto's Eyes: taking the form of a lourney along the Grand Canal, this display brings together 23 paintings and drawings of the artist's native city; to Oct 11

Royal Academy of Arts Tel: 44-171-300 8000 Chagall: Love and the Stage. A series of monumental mural paintings created in 1920 for the State Yiddish Chamber Theatre in Moscow will form the centreplace of this exhibition. Never before seen by the British public, the recently restored paintings will be shown alongside preparatory drawings and sketches; to Oct 4 Summer Exhibition: held every year since the Academy's foundation in 1768, the world's largest open exhibition displays work by established painters and sculptors alongside that of younger and less well known artists; to Aug 16

Tate Gallery Tel: 44-171-887 8000 Patrick Heron: b.1920, Heron is one of the leading figures of 20th century British art. This display includes around 80 paintings, ranging from the 1930s to the present; to Sep 8

MADRID EXHIBITIONS

Fundació la Cabra Tel: 34-1-435 4833 Lucio Fontana (1899-1968): Retrospective of the Italian pioneer of conceptual and multimedia art; to

Museo Nacional Centro de Arte Reina Sotia Tel: 34-1-467 5062 Federico García Lorca (1898-1936): centenary celebration of the Spanish poet. Includes biographical material and examples of the different forms in which he worked; to Sep 21

Thyssen-Bornemisza Museum Tel: 34-914-203 944 Paul Klee (1879-1940): retrospective comprising over 100 works, including private and public loans; to Oct 12

MARTIONY

EXHIBITION Fondation Pierre Glanadda www.glanadda.ch/index.html Paul Gauguin retrospective: organised to mark the gallery's 20th anniversary. Includes more than 100 works borrowed from public and private ctions around the world; to

MUNICH EXHIBITION

Haus der Kunst Tel: 49-89-211270 Expressionists: the Buchheim Collection, Wideranging display of works assembled by the painter and novelest Lother-Gunther Buchheim over the past 50 years. Includes works by Kirchner, Schmidt-Rottluff, Corinth, Beckmann and Kokoschka, as well as early watercolours and graphics by Dix and Grosz; to Oct 18

NEW YORK CONCERTS Avery Fisher Hall, Lincoln Center

Tel: 1-212-875 5030 www.lincoincenter.org Mostly Mozart Festival Orchestra: conducted by Vladimir Splvakov in works by Mozart and Strauss. With riola soloist Paul Neubauer and soprano Inva Mula; Aug 8 Mostly Mozart Festival Orchestra:

conducted by Ivar Bolton in works by Mozart and Handel. With violin soloist Christian Tetziaff and mezzo-soprano Susan Graham; Aug 11 Mostly Mozart Festival Orchestra: conducted by Ivor Bolton in works by

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Mozart. With violin soloist Christian Tetziaff and piano soloist Louis Lortie; Aug 12

EXHIBITIONS Guggenheim Museum Tel: 1-212-423 3500

www.guggenheim.org Peggy Guggenheim: A Centennial Celebration. To mark the 100th anniversary of Peggy Guggenheim's birth, the museum has organised a display of paintings and sculptures from her collection. The exhibition also features photographs and personal

belongings; to Sep 2 ● Vilhelm Hammershoi (1864-1916): Danish Painter of Solitude and Light. Retrospective seen in Copenhagen and Paris last year, comprising 60 works by this relatively unknown contemporary of Munch. Includes portraits and landscapes as well as interiors, many of which depict the rooms of his Copenhagen home; to Sep 7

Metropolitan Museum of Art Tel: 1-212-879 5500

www.metmuseum.org

Louis Comfort Tiffany: celebrating the 150th anniversary of the artist's birth, this exhibition, drawn from the museum's collection, includes leaded-glass windows and lamps, vases, furniture, enamels and jewellery; to Jan 1

Sir Edward Burne-Jones: first American exhibition devoted to the 19th-century British artist, comprising more than 200 works, including tapestries and jewellery as well as paintings; to Sep 6

Museum of Modern Art Tel: 1-212-708 9480

www.mome.org

Aleksander Rodchenko (1891-1958): first major US retrospective of the most important Russian artist of the period following the 1917 revolution. A founder and leading theorist of Constructivism, Rodchenko abandoned the traditional mediums of painting and sculpture in favour of experimental forms, photocollage and graphic design. The show presents 300 works created between 1915 and 1939; to

 Bonnard (1867-1947): transferring from London's Tate Gallery, this major retrospective includes over 100 paintings - landscapes, still lifes, a series of nudes, and several

self-portraits; to Oct 1 Love Forever – Yayoi Kusama, 1958-1968: display of works by the Japanese artist (b.1929), who came to prominence in the late 1950s - while fiving and working in New York - with a series of large-scale monochromatic paintings called Infinity Nets. Following her return to Japan in the early 1970s Kusama was largely forgotten in the US. This display includes installations and a film as well as paintings, sculptures, photographs and collages; to Sep 22

Tony Smith (1912-1980): Architect, Painter, Sculptor. Includes some 50 peintings and 50 drawings, as well as plans, sketches, photographs and models of architectural projects, some of which were never realised; to Sep 22

I PARIS EXHIBITIONS

Centre Georges Pompidou Tel: 33-1-4478 1275 www.cnac-gp.fr Max Ernst: Sculptures, maisons et paintings by the German-born artist

paysages. Around 100 sculptures and (1891-1976), who lived and worked in Paris and the US; to Aug 17

Musée du Louvre Tel: 33-1-4020 5151

vww.louvre.tr Astronomy and Astrology in the siamic World: display of instruments developed by Arab astronomers between the 8th and 15th centuries. shown alongside a selection of everyday and religious objects decorated with astrological designs; to Sep 21

 Bassano and His Sons: works by the Venetian painter Jacopo Bassano (1510-1592) and his sons. The display brings together works owned by the Louvre with loans from other French museums: to Sep 21

ROME EXHIBITION

Borghese Gallery Bernini, the Sculptor: The Beginning of Baroque Art in the Borghese Family. Brings together pieces belonging to the Villa with loans from abroad, including the famous Hermaphrodite from the Louvre; to Sep 20

I ROTTERDAM EXHIBITIONS

Kunsthal Tel: 31-10-440 0300 Look at me: Fashion and Photography in Britain 1960 to the present. First stop for a touring exhibition which tracks the development of fashion photography; to Aug 9

 Streetwise: 10 years of party, dance and house culture. Multimedia presentation designed to present an overview of the dance music culture which originated in Chicago in the 1980s. Includes furniture, clothes, flyers, projections and sound effects; to Sep 20

M SALZBURG **OPERA**

Salzburg Festival Tel: 43-662-844501 Aufstieg und Fall der Stadt Mahagonny: by Weill. Conducted by Dennis Russell Davies in a staging by Peter Zadek, with sets by Richard Peduzzi, Cast includes Dama Gwynneth Jones and Wilbur Pauley. With the Vienna Radio Symphony Orchestra; Grosses Festspielhaus; Aug 12

 Don Carlo: by Verdi. New staging by Herbert Wernicke, with the Vienna Philharmonic and Opera conducted by Lorin Maazel. Cast includes Samuel

Ramey; Grosses Festsplethaus; Aug 10, 13

THEATRE Saizburg Festival Tet: 43-662-844501

 Scon: by Hal Hartley, with music by Hal Hartley and Jim Coleman, and sets and costumes by Steve Rosenzweig. Co-production with deSingel, Antwerp: Perner Insel; Aug 8, 9, 11, 12, 13, 14

Danton's Death: by Büchner, New. co-production with the Berliner Ensemble, directed and designed by Robert Wilson, with costumes by Frida Parmeggiani; Landestheater; Aug 8,

 Troilus and Cressida: by Shakespeare. New, co-production with Theater Basel, directed by Stefan Bachmann; Lehrbauhof; Aug 13, 14

SANTA FE

OPERA Santa Fe Opera Tel: 1-505-986 5900

www.santaleopera.org

A Dream Play: American premiere of Ingvar Lidholm's opera based on Strindberg's play. The director is Colin Graham; Aug 14

Beatrice and Benedict: by Berlioz.

New production directed by Tim Albery and designed by Jennifer Tipton. Susan Graham will sing the role of Beatrice, with Elzabeth Futral as Hero. The conductor is Edo do Waart;

Aug 13

Madama Butterfly: by Puccini. John Crosby conducts a production directed by John Copley; Aug 8, 11

The Magic Flute: by Mozart, New production by Jonathan Miller, with sets by Roni Toren and costumes by Judy Levin, Cast includes Sherl Greenswald; Aug 10

SCHLESWIG-HOLSTEIN CONCERTS

Schleswig-Holstein Music Festival Tel: 49-431-567 080 Cologne Chamber Orchestra: conducted by Helmer Müller-Brühl in works by Vivaldi and Bach. With soprano Barbara Schlick, flautist Patrick Gallois and oboe Christian Hommel; Schleswig, Dom (Aug 10) and, in a slightly altered programme, at the Hasselburg, Scheune (Aug 11)

Philhamonie der Nationen: conducted by Justus Frantz in works by Brahms; Sylt, Westerland, Halle 401 auf dem Fiugolatz; Aug 12 Schleswig-Holstein Music Festival Orchestra: conducted by Donald Runnicles in works by Berg and Mahler, With soprano Laura Alkin:

E SEATTLE

Aug 9

OPERA Seattle Opera Tel: 1-206-389 7676 www.seattleopera.org Tristan und Isolde: by Wagner, New production by Francesca Zambello, conducted by Armin Jordan. The title roles are sung by Jane Eaglen and Sen Heppner; Aug 10, 13

Lübeck, Musik- und Kongresshalle;

E TOKYO CONCERT Suntory Hall Tel: 81-3-3584 9999 Andreas Rothkopf: recital by the

organist of works by Bach; Aug 14 EXHIBITIONS Metropolitan Art Museum Tel: 813-3823 6921 The Carmen Thyssen-Bornemisza. Collection: touring show of 94

paintings, ranging from the 18th century to the early 20th. Highlights include 19th century Spanish works and works by American painters. Also on display are recently acquired works by Delaunay and Braque; from Aug 8 to Oct 4

Museum of Contemporary Art Tel: 81-3-5245 4111 At the End of the Century: One Hundred Years of Architecture. Touring exhibition reflecting on a century of dramatic change, from early 20th century colonial architecture through modernism and the Bauhaus to the rise of theory and skyscrapers. The installation is designed by Frank O Gehry: to Sep 6

Odakyu Museum Tel: 81-3-3342 1111 Aubrey Beardsley: touring display of more than 200 drawings, prints, posters and books; to Aug 18

VERONA **OPERA**

Arena di Verone Tel: 39-045-800 5151 www.arena.lt Tosca: by Puccini. New production by Giuliano Montaldo, with sets by Luciano Ricceri. Cast Includes Ruggero Raimondi and the conductor is Zubin Mehta: Aug 14

WASHINGTON EXHIBITIONS

National Gallery of Art Tel: 1-202-737 4215 www.nga.gov Manet, Monet, and the Gare Saint-Lazare: places Manet's famous painting in a context provided by works by other artists and a group of related drawings, prints and photographs: to Sep 20 Mark Rothko: major retrospective of the American abstract artist, including loans from Europe and Japan. The 100 works on display encompass all phases of Rothko's career, from the late 1920s to 1970; to Aug 16

JAZZ Wolf Trap Tel: 1-703-218 6500 Ray Charles; Aug 11

Arts Guide by Susanna Ruatin e-mail: susanna.rustin@ft.com Additional listings supplied by ArtBase tel: 31-20-664 6441 e-mail: artbase@pi.net

Weekend Investor

The fact is, people just wanted to sell

John Authers advances an explanation for the Dow's unsteady week

Street has been a market reporter's nightmare. Exceptional volatility always makes life tough. Even more of a problem is that readers dislike reports that do not provide at least one clear reason why the market has

In desperation, and when there is no clue why the market is down, one threadbare explanation always will be true: "More sellers than buyers." So that must serve to explain Tuesday's sharp sell-off when, with no particular new information on either the economic or the corporate front, blue-chip stocks had their worst day of

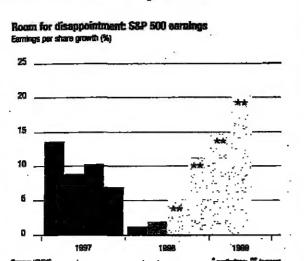
The Dow Jones Industrial Average fell almost 300 points, and dropped below 8.500. The total volume of shares traded on the New York Stock Exchange was 820m, the second highest

Next day, dealing was even heavier, with 850m shares changing hands. The Dow fell another 120 points at one stage. It continued its unsteady progress for the rest of the week. By midday yesterday, though, it had regained most of its losses.

There were plenty of fundamentals to explain all of this, but none that traders had not known about before Tuesday morning, Corporate earnings were growing far more slowly than forecast. smaller companies had been falling sharply for weeks. and the Asian crisis continued to exert a downward drag on the entire market.

Personal factors were important. The dramatic change of heart by Prudential-Securities' Ralph Acampora – a long-term bull who suddenly, on Tuesday morning, predicted that the Dow analysts were looking for 10 would dip to between and 15 per cent growth in the third and 20 per cent below its quarter at the beginning of highs - certainly damaged confidence. The stalwart to 5.7 per cent. IBES, another response on Wednesday research agency, puts conwhen Goldman Sachs' Abby sensus estimates for this plenty of room for disap-Cohen and others said, configurater even lower, at 5.2 pointment; this could be buying opportunity, also was

important. But the market generated without help from outside agencies. As Acampora pointed out, technical indicators looked awful, with the



week low reaching its highest level since 1994. Last week, the number of declining stocks exceeded those rising by more than 7,000, another classic signal of an impending correction after prices had gone too high. The high volume of trades shows that many people sim-

ply wanted to sell.

Corporate earnings growth is now at the centre of discussion. Results for the second quarter appear to show that earnings for the Standard & Poor's 500 companies are growing at less than 3 per cent annually - far too slow to sustain a continued bull market. Earnings growth for the first quarter was barely above 1 per cent. its lowest since the first quarter of 1991. But the market was prepared to treat this as a one-off response to the Asian financial crisis, and stocks continued to

based research agency, year-on-year rate of 11.2 per reports that projections for the third quarter have come down very swiftly. While in the second quarter of next July, that figure has fallen

The prolonged negative the bear market. effects of the Asian economic downturn have had its own collapse on Tuesday, the most obvious impact on earnings. In midweek. though, analysts began to publish reinterpretations of second-quarter results. They number of stocks at a 52- found that problems centred

on the companies most affected by falling commodity prices, such as oil or paper businesses. Oil prices

Many large companies had taken big charges for big corporate events such as mergers: more than \$1bn apiece at AT&T, Compaq, Motorola and Xerox. This depressed their headline earnings but meant that operating earnings remained on a positive trajectory - up 5.7 per cent according to

This left several analysts with a much more positive gloss on the second quarter's profits and, by implication, the prospects for the future. This is just as well, as stocks are still priced on the expectation of a very strong recov ery in earnings growth. According to IBES, the conings per share for the S&P First Call, the Boston- 500 companies growing at a cent in the final quarter of this year, and 20.3 per cent

> If these forecasts are right. this week's events will prove to have been a correction. If they are wrong, and such optimistic forecasts leave

8,788,74 - 96.55 8,487.31 - 299.43 8,577,68 + 30,90

21251C

Bruised by a nasty fall

But Philip Coggan doesn't see apocalypse now

down as well as up. They have been warning us about this on official forms for the past decade or so, but it has

True, there was the Saddam Hussein/recessionary setback in 1990. But that was the first down year for the market since 1976. Then there was 1994, the year of rising US interest rates and the Mexican peso crisis. But the FTSE All-Share index's fall on the year was just 9.5

For much of the time, the motto of the market has been onwards, ever upwards. Since the start of the 1980s, it has risen in 16 out of 18 years and, on 13 occasions, the gain has been in doubl

So, the rapid plunge of the ast few weeks must have come as a nasty surprise for most investors. At its worst

Highlights of the week

hare prices can go index had declined by 10.2 crash is just a very rapid per cent from July 20's bear market.

all-time closing high - thereby meeting the conventional definition of a "correction". A correction is one of the milder forms of stock market decline and can be positively healthy - the equivalent of a cold shower on a hot day. When investors get over-exuberant and convinced that

higher, a correction brings them back to earth and allows the bull market to be established on a more solid dicting an apocalypse. Back in December, the more serious decline - usually defined as 20 per cent or more. Thus, it represents not

a phase within a bull market but a completely different 1973-74, all of the gains in the preceding bull market

share prices can go only

will be wiped out. Periods such as the crash of 1987 are difficult to put in

Certainly, share prices fell more than 20 per cent after Black Monday; but the mar-ket still ended higher over the year as a whole and, in mect. late 1987 was just a blip in the long bull mar-

much less dramatic in scale and it is conceivable that in a couple of months, it will be just a vague memory. Indeed, it is hard to find City commentators who are pre-

analysts polled by this column produced end-1998 forecasts for Footsie varying between 5,000 and 6,000. The pundit who is most

bearish at present, Richard Jeffrey at Charterhouse, has a target of 5,200, around 7 per cent below Thursday's close. In fact, most strate-



the end of the first quarter, changed their predictions earlier this year and some went all the way up to 6,600. Those shifts are starting to look a little bit rash, though.

The bearish case has both domestic and an international component, The UK corporate sector is being squeezed between the strong pound, higher interest rates and rising wage pressures. According to the information company IBES, profits growth for 1998 is expected to be only 4.8 per cent.

Internationally, the ramifications of the Asian crisis, and particularly the recession in Japan, are working their way gradually through the system. This week's sharp fall on Wall Street, where the Dow Jones Industrial Average recorded a oneday drop of 300 points, came realisation that US profit stimates were looking too ontimistic.

Even after the recent setback, the UK market does not look in historically cheep territory. As the chart shows, the price-earnings ratio on the Non-Financials index is over 21; a bit rich when earnings are growing at just 5 per cent a year. The gross dividend yield

on the All-Share has crent the historic lows recorded in the spring. But that figure is somewhat misleading after the abolition of the tax tial to rebound from here, credit last year, the effective

to some because of the low

their targets surpassed by inflation and low interest rates prevailing. In spite of the six rate increases since the election, base rates are still equal to only the lowest level that prevailed during the 1980s; gilt yields are as low as they have been since the 1960s. This must give some support to share prices; normally, as in 1987 problems for equity markets have been signalled in advance by rising bond

> be counter-argument is twofold: that, in a low-inflation era, bonds deserve to be rerated relative to equities. Accordingly, low bond yields should not necessarily be good news for equities: they have certainly been no help to shares in

Second, profits have been rising as a proportion of GDP for several years and may now be at the part of the cycle when labour starts to reclaim its piece of the ple. That would restrict profits growth.

This argument will not be resolved in the next few weeks. But that period should show if Footsie can bounce back significantly as it did yesterday, gaining 86.3 points to 5,680,4.

Brian Marber, the technitop of the bull market has been seen. But he believes that Footsie has the potengiven it has not broken decisively below its one-year average or the long-term buil

philip.coggan@FT.com

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Barry Riley



t is that slightly spooky period of the year when we are inclined to look back ervously at the seasonal timing of past financial crises. We worry that, although summer reached London only this week, there are just two months to go until October when the stock market's ghosts and

ghouls are liable to jump out from their gloomy, autumnal hiding places.

Strange and powerful forces certainly, are at work. The Dow Jones Industrial Average has tumbled nearly 10 per cent in three weeks, even though no obvious fundamental shocks have been apparent. If the second-quarter earnings reporting season has caused disappointment it is only because expectations were

unrealistic to start with. .On Wall Street, the bears have finally got a grip on the handful of blue chips that have powered market. In London, we have looked on with trepidation, suffering as we are from our own particular recession scare; the FTSE 100 index is also down nearly 10 per cent and at its

lowest in six months. Doomsters warn us that the stock market charts for 1998 so far bear an uncanny similarity to those for 1929 and 1987. I have looked at the Wall Street charts and cannot see that the patterns, apart from sharing obvious bull market features, are all that close; in those crash years, the market was continuing to rise in August, whereas surely we have seen the peak in July this time. .

Crashes can be elusive

But remember - October is only two months away

This may mean that the parallels are misleading or, alternatively perhaps, that the feared meltdown will come much sooner than Hallowe'en; panicky investors may fump the gun. When investors identified the positive seasonal "January effect" in the US small company sector, the phenomenon promptly advanced into

Robert Hoye, at Quantum

August 23 low, but then broke decisively upwards, not downwards. Usually, the worst esn't happen.

Stock market historian David Schwartz - who writes regularly in the FT - says that, from the UK point of view, October's gloomy reputation is largely undeserved and that, in the long run, it has been a slightly above-average month for the London market. London scarcely

The past is a very flawed guide to the future ... usually, the worst does not happen

Research in Vancouver, has been comparing New York (and Hong Kong) this year with charts not from 1929 but 1930. That was when, after a good recovery from the October 1929 crash, the Dow began by late summer to slip away to what proved a much lower bottom in

The Dow reached a trough on June 22 1930 (this year, June 15) before peaking on July 18 (this year, July 17) and bottoming again on August 12. If this pattern continues to be followed, there will another short-term peak at the end of this month before a further serious slide during the remainder of the

This, though, seems rather more like financial astrology than serious analysis. The past is a very flawed guide to the future: in 1988, Wall Street followed the 1930 pattern with

fell in October 1929, having peaked long before in the spring

London is correlated much more closely with Wall Street than 70 years ago. However, if you want to draw apocalyptic parallels. you can focus on the way that the Asian markets began tumbling more than a year ago.

The US market ignored that weakness and, indeed, may have been boosted by it temporarily through the diversion of investment capital flows from east to west. Now, though, Asia's crisis is more clearly damaging the US corporate sector.

Should we allow ourselves to be spooked by the time of year? In 1987, the Dow fell by 34 per cent between October 5 and 19. Last year, it fell much more temporarily by 12.5 per cent between October 7 and 27. Long ago, such seasonality could be attributed to the diversion of

credit to finance the harvest, but that scarcely seems like a credible contemporary explanation.

Traditionally, summer especially August - is the season for long, rumbling currency crises which are resolved in September only when the politicians return from holiday and are forced to make unpleasant decisions - usually involving devaluation, as with the UK in 1992.

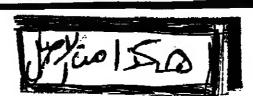
This year, the currency action is in east Asia. The decline of the yen/dollar rate could provide a flashpoint for further Asian problems, including a Chine renminbl devaluation and the collapse of the peg between the Hong Kong and US dollars.

Perhaps it is not until October that slow-thinking investors can respond to summ developments. In 1987, for instance, the stock market ignored for many months a sharp rise in bond yields. This rear, Wall Street has turned a blind eye to Asia-related

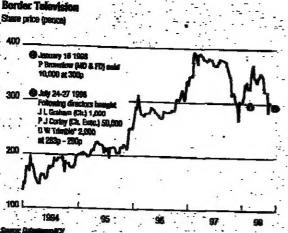
But October will bring the third-quarter earnings season. which may well bring more evidence of a profits squeeze and will undermine the assumption that corporate America will surge forward again in 1999,

At this stage, however, the UK politicians have only just gone away. Their seasonal absence might offer one reason why, on the basis of Schwartz's database August is one of the better months for the UK stock market. But not, on the evidence so fer, this August.

For an interactive guide to personal finance, visit http://www.FTQuicken.co.uk



WEEKEND INVESTOR



Directors' dealings

Three directors were buyers at Border Television, writes Chris Hill. They were led by Paul Corley, chief executive. who acquired 50,000 shares at 283p. Smaller purchases, of between £3,000 and £6,000, were made by James Grainam, chairman, and David Trimble, a non-executive.

□ Three directors were also active at Blick, an electronic and electrical equipment company. John Newman, a non-executive, picked up 17,000 shares at 455p. Mink Aldridge, chief executive, and Anthony Simonds-Gooding, another non-executive, acquired 5,000 and 4,815 shares respectively. Blick shares have outperformed the market by 60 per cent over the past 12 months

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ASDA Group	RetF	646,951	1384	2.
PURCHASES				
8PB Inde	BALLA	10,000	32	1
Impertal Chemical	Chem	6,000	44	2
Porveir	Chem	10,500	25	2
Scape	Chem	12,000	20	1
Boot (Henry)	Cons	10,000	. 20	1
Electrocomponents	Dist	4,500	20	. 2
Burodia Electron	Dist	20,000	26	1
Wyke Group	Dist	43,000	48	3
Biick		26,315	120	3
GEC		5,000	24	1
Haima	Eng	31,130	38	2
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Smith & Nephew	Hite	Tuesday	24	8.2	-

Week ahead

everal FTSE 100 com- communications company panies are preparing Orange are expected by ABN light on conditions in their 274m to about 250m. sectors, writes Martin Brice.

Analysis would be pleased. to £58m pre-tax.

to announce results Amro to show a smaller that should throw operating loss, down from

Monday: Asian turmoil is to hear of progress on the expected to have an impact planned link with American on interims at Inchespe, one Airlines when British Airof the UK's oldest trading ways announces its firstcompanies. About 40 per quarter results to end-June, cert of the company's profits although no significant news are generated in the region. is expected. The recent it recently announced plans strength of sterling is likely to break itself up and, in to have had an effect, but view of Asia, investors may the fall in the oil price be nervous over the timing. BT Alex Brown expects a tage. An underlying protax decline of about 26 per cent, to 258m pre-tax.

1282 An unnertying pre-tax advance of 11 per cent, to 258m pre-tax. Interims from mobile tele. Alex Brown.

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Bids / deals

Laporte moves on rival group

aporte's offer for Inspec Group, a smaller rival, would result in one of Europe's biggest fine and speciality chemicals businesses, writes Gautam Malkomi. The enlarged supplier to the pharmaceutical, life sciences and agrochemicals sectors would have annual

The cash offer of £511m, at 340p a share, values the stake of John Hollowood, inspec's chairman, and his family, at 533.4m. James Ratcliffe, Inspec's former managing director, has options and shares, with his family worth about £28m.

□ Partee, a car components distributor, spurned a merger proposal from rival Finelist. It cited incompatible busing strategies and Finelist's high level of gearing as risks that would outweigh benefits. Finelist's abare-for-share exchange would have valued each Partco share at 240p, leaving Partco shareholders with 43 per cent of the enlarged company.

Finelist said it would not pursue a hostile takeover.

D Whitbread and Allied Domecq said they were in talks that could lead to a 50/50 joint venture with their Thresher and Victoria Wine chains, which have nearly 3,000 branches between them and combined annual turnover of £1.8hn. A new company would have a 13 per cent share of the UK off-licence market compared with 14 per cent for Tesco, the market leader.

D Liberty International Jersey, the offshore asset ma ment arm of Liberty International, the London-listed financial services group, is to buy a 40 per cent stake in Ermitage a hedge fund manager with some \$730m in assets for an undisclosed sum. This will bring total assets under management and administration to \$1.7bn (£1.05bn).

E Gurrent lakeover bids and mergers Makes of his Market Fre last Value of per plane" prior" prior 160 Sees Miller

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In the Pink

Japan's system of favours for bureaucrats is to blame

The need is for reform, not reflation and a decade has been wasted before getting on with the job, argues Brian Reading

is a Kiwi and we spent six weeks there recently. It was not my first visit; that was in 1984. Even so, I was struck by how much the country had changed in the interim.

Most noticeable are the cars. They used to be few, old and English. The roads are still fairly open, apart from traffic in Auckland which, at rush hour, matches London. But the car population has not merely exploded - it has become second-hand Japa-

The change is easily explained. Import duties on cars used to be extremely high, so most people found it cheaper to repair existing vehicles rather than buy new ones. But in a country with few people and much land, public transport is the pits and cars are a must. So, when import duties were slashed and cars became cheap, the four-wheeled population multiplied like pos-

The best value is a second-hand car imported from Japan. This is because buying new cars there is cheap, but maintaining older ones

extremely expensive.

The certificate of fitness is to blame. Cars must be tested after two years, and then annually. The tests are must be checked for wear, which involves dismantling ome parts. There has been ome easing in recent years but, not long ago, the twoyear test cost more than

for passing is evidence that the car has been maintained properly. Since this is pro-vided by the garage that services it, the garage has are no written instructions

f you want to under- carte blanche to replace or precedents on which to why the microeconomic rely. All power to the

> Moreover, the Japanese do not normally run up a big annual mileage. Parking restrictions are tough. Roads are congested. (And don't, for heaven's sake, have an accident and hurt somebody, yakuza gangsters So, as a result of all this, the Japanese export cheap, lowmileage, second-hand cars

in pristine condition. Japanese law is not to blame. It says cars must be

and public works spending, set out by the new prime minister, will fail like all the others. But, by then, the in abundance. credibility of the public sector's finances will be in shreds

to bureaucrats at the ministry of transport. They write the rules - and do so in the interests of manufacturers. retailers and renairers. The test centres are run by the companies that sell and ser-

This is typical of Japanese laws. They rarely set out rules that must be obeyed. Rather, they state the target to be achieved and delegate bureaucrats to decide how

This is the system of administrative guldance. It in feudalism, not rules. It tells you who to obey, not what to do. Mostly, adminisa one-on-one basis where the bureaucrat verbally says "yea" or "nay". There

favours (or withholds them) in return for good (or bad) Rule by relationship ensures that everyone

except the consumer gets something out of it. The bureaucrat gets power and the promise of a plumb job when he retires. He gues to work for companies he regulated because he can then get the best deal for them from the bureaucrat pro-

Tokyo's latest package of tax cuts

involves much expense account entertainment. which is how business is ests, as with car repairers, are protected.

Politicians, who are lobbyists rather than lawmakers, benefit from the contributions that companies make they lot the bureaucrats get on with it.

wishes of their civil servants or lose the political punch that comes from being able to raise funds. The prime minister must bow to the wishes of individual ministers because, legally, all cabinet decisions not even choose most of them; factions share out

All this helps to explain

bureaucrat, who dispenses ficult to achieve. It is not a matter of changing the law to say you can do something rather than that you must not do it. You cannot change rules where there changing the system of eovernment in which all have

> Rule by relationship means Japan is a command misallocation of resources that this produces.

People save too much because what they want, better housing and a better environment, they cannot buy while they already have more than enough of the material goods they can buy

Moreover, like any east European economy in tran-sition from communism to capitalism, the introduction of market competition makes matters worse before they get better. Overcapa city in companies hitherto sheltered from competition cially high - has to be eliminated. Unproductive workers must be sacked.

Japan has wasted a decade before getting on with the job of changing its system. It has chosen reflation instead of reform.

The latest package of tax cuts and public works spending, proposed by But, by then, the credibility tor of Lombard Street





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YORKSHIRE

wish he had never heard of me. Seven years ago, because I in the Californian skiing industry, I made rather a silly mistake and gave my home address. in south-west London to the California Tourist Department in

I was duly deluged with brochures and press releases covering just about everything except skiing. However, I felt it was a small price to pay for the occa-sional nugget about Squaw Valley or Heavenly.
Then I moved house. But

thanks to Joe - or his successors the brochures kept a'coming. Graciously, my former flatmate continued to send them on

Partly to save her the trouble,

True Fiction

Californian junk mail jeremiad

A Gulf Stream of paper sweeps Arnie Wilson to complete anonymity

of paper from California, and dropped Joe a line at 901 K Street, Suite 1500, asking him to stop mailing me. It didn't work.

Knowing that these things can take time (but, bey! - not a lifeand that about oranges, mountain biking, Fisherman's Wharf. I began sending the envelopes back, pointing out that the contents no longer interested me.

I decided that if Joe was detering, he might as well have the unabated - but now to the old address and the new. And now things were beginning to arrive in duplicate. At each address. After another change of home

duly notified to Mr Mintz failed to staumch the flow, I lecided to get serious. I telephoned my friend Bob Roberts at the California Ski

"How's it goin', Arnie?" he inquired cheerily, striving to drown the barking of the seals in the harbour nearby.

Industry Association in San

"Not good, Bob," I said. "How

The deluge continued Tourism Division to stop sending junk mail to me at my old

ing the family cat just when you

not one, but two, brochures turned up at my old address and

tain Marmalade recipes, a little phiel of sand from Death Valley, can of fresh air purportedly blown by one of the vest flock of environmentally friendly wind-mills clustered in the Mojave.

I could hardly contain myself as I punched out Joe's 916 area-code. "Joe," I said. "What does natiting list? I want to be un-Californicated!"

He seemed most concerned. "I'm really sorry," he said.

"Over four years now," I said. Didn't you hear from Bob? It's getting really embarrassing now, because I keep telling the person at my old address

one you keep using everything was OK.

fornien Tourism brochures arrived at my latest address. flat-mate, to John two more

that I gave the California Div poved six times.

do with California. Are so reading this Joe? Please do not send myth about anything to me any especially to the place I lived

I am no longer interested h California, or even the US. I am no longer employed in the travel industry. I have retired. I am a

age, not to mention whole he

It says: No Name, No No phone. No e-mail. No

Metropolis

When the push of technology comes to shove

Is there a place for frescoes and chubby-cheeked cherubs in a modern bank, asks Eleanor Curtis

Siena have received many admiring glances, not necessarily from art lovers, but from passing

Housed on the first floor of the Palazzo Salimbeni, this giorious tive architecture is one of many fine details in the still-functioning sede (headquarters) of the Monte dei Paschi di Siena (MPS)

imbeni - Salimbeni, Spanocchi and Tantucci - have shaped the life and soul of the MPS for more

Most of the numerous grand halls, towers and private chambers that comprise this complex of 15th and 16th century Gothic-styled palassi in the centre of Siena, house impressive collec-tions of art and furnishings.

Today, however, the once welltrodden corridors are beginning to resound more to echoes than actual footsteps; the demands of modern banking are challenging the raison d'erre of such architec-

The MPS bank, established in 1472, began life as a pawnbroker, and has always been based in the prized palazzi in the heart of the eautiful historic Tuscan city. It is now one of the top 10 Italian banks, and has more than 770

The palazzi have undergone two significant restorations, the tury and the second in 1972.

500 years, the Their original Gothic style of sprightly cherubs architecture - typical to Siena adorning the ceiling of has been retained and the most the 16th century delicate details of decorative Peruszi Gallery in Renaissance art have been pre-

Even the marks and dents made by the blades of the heavy queting table of the grand hall in Palazzo Salimbent can still be seen - though the hall is used example of Renaissance decora- today for banking conferences, rather than flamboyant displays by the bank's official sword-

But where do the golden chubby-cheeked cheruhs that are coes fit into the modern world of international banking? Telecommunications and air conditioning

the adornments required of today's international banking premises - threaten to relegate these beentiful buildings to the status of museum pieces: somewhere to impress official guests, rather than conduct serious busi-

The precedent has been set. The offices of MPS's holding company, impressively housed azzo Sansedoni, in Siena's great Piazza del Campo, are temporarily transformed each year into a spectators' gallery for VIP guests, offering them an excellent view of the Palio - the city's traditional bareback horse race around the town's main square. As well as the offices, boardrooms and grand halls, the Palazzo Salimbeni houses an art collection and a wealth of archive

ing back to its first customers in

the 15th century. The buildings are kept in excellent condition and are under the watchful eye of the Soprintendeze per i Beni Ambienti e Architettonici, the locally based authority for care of historic buildings. Any changes or additions must be made with the utmost care, and must not disturb the original

It makes the job of modernisation an even greater challenge. Weaving lighting systems around material documenting the MPS's frescoes, and running heavy history. This material, carefully cabling via superficial floors, through a complex of small

includes financial statements dat-rooms, grand halls and galleries, some with walls 70cm thick, is

neither cheap nor easy. For example, a recent architec tural project to update the 17th century Biblioteca Ambrosiana in Milan (funded by another leading Italian bank, the Casa di Risparmio delle Provincie Lombarde), cost an estimated L12m (24,000) per square metre, totalling L49bn (£18m) over eight

> now dysfunctional, buildings is a question plaguing many historic centres. Venice has become, some argue, merely a well-catered-for

littered with more than 650 historic monuments, has fixed Building of historic interest" brass plates on to too many of its jewels, leaving most of them

empty, unusable and abandoned. MPS might decide to revel in its ancient rituals and mix with its ghosts by using the Palazzi Salimbeni and its other prized real estate in the region solely for formal functions and special

Because the palazzi are not ideally suited for traditional banking transactions, the MPS is gradually consolidating its business activities in two new buildings visitors' centre. Cairo, a city just outside Siena's city walls.





The first of these was opened last . December, and perhaps ranks as the city's only eyesore.

It is strikingly modern, clad in concrete and aluminium, and, maybe because for centuries the old building had to be adapted. the new one is designed entirely for functional efficiency. This building holds no charm or mys-

It is difficult to judge whether this is a necessary and inevitable solution to the dilemma or a poor compromise: whether the requirements of international siness will always take precedence over cultural and historical identity; or whether the MPS's

how old and new must learn to live side by side, respecting each other's needs.

As the push of functionality has come to shove, it seems the MPS banker of tomorrow is deed tined to become a tourist suite the bricks and mortar of his own

While the future use of the palazzi remains ambivalent, the commonsense words of Robe Rocchigiani, MPS's spokesma are soothing: "Palazzo Salimbe will hopefully remain as the sym bolic seat of the bank

"What else could these worlder ful buildings be used for?"

raveheart may be gone but blood is spilling again on the carpet of heather. This time, the battle is for possession of British moorland, which once again has proved to be the last refuge of a doughty but endangered species Under threat today is the wild

shooter, the gunhand who wants to face a bird travelling past at 80 miles an hour - and stop it with some particles of lead. Grouse, the supreme target for wing-shooters, stir emotions in

multifarious breasts. Ranked

against the shooters are birdy folk, passive rather than active participants, who would prefer to see grouse left alone to be ripped apart by birds of prey. Wild shooting may soon be the only kind that Europeans' tenderised consciences allow them. For shooting reared game is tarred

with the brush of its worst practitioners, manufacturing droves of pheasants into which parvenu remnants by cyclical diseases. shooters can scattergun a result without moving many inches from their shooting brakes. European laws may outlaw this, in keeping with the gradual distancing of humanity from other creatures - epitomised by

the abolition of circus animals and regroup its shooting ethics around the more primitive and natural arena of wild shooting.

conserved behind glass cases,

All guns blazing on the moors

Grouse, hen harriers and shooters are competing for space. Michael Wigan reports

increases their health, numbers predators, is beginning to look as and distribution. Today's more clinical approach to grouse management includes catching them at night and squirting doses down their throats to combat the most invidious disease

What modern grouse managers try to do is iron out the notorious population swings which historically made grouse shooting unpredictable, and makes sporting income erratic. Old records show moors which one year had tens of thousands of birds, the next had stock reduced to mere

Wild, though, the grouse them for commercial shooting, and no one disputes their free

But the world is now one in which management of wildlife of all kinds is being suspended in favour of a free-for-all, and the hand of man is perceived as selective and destructive. The how wild? Grouse are not reared, heather for better grouse feeding, performed collaboratively by the society focused on the habitat,

rather, moorland management and killing of the few permissible outmodish as tweeds and generation after generation of landowners. That is the background to the struggle for British

> Britain contains 70 per cent of all existing heather (calluna volgaris). It is a northern hamisphere dwarf shrub, the green shoots of which sustain many creatures other than grouse, including red deer, cattle, mountain hares and sheep.

> Its August purple is the key-note colour which picture postcard photographers have never needed to intensify and which stand in a sea of this scented mini-forest while knocking grouse out of a blue sky is what made British prime ministers repair to the moors in midsummer and what today induces exhilarated visiting shooters to

write fat cheques. Managed wild shooting will not The question that remains is: dosing of grouse, burning of be outlawed, but recent research victory by both sides. The royal

Royal Society for the Protection claiming that it was because the of Birds and the Game Conser-landholder had allowed the vancy demonstrated that a strict application of bird protection laws could stifle it.

The research, done on a moor called Langholm in the Scottish Borders, showed that a prolifera-

Wild shooting may soon be the only kind Europeans' consciences allow them

ting population of the specialist grouse destroyers, hen harriers. resulted in grouse being reduced to a fraction of their former number. A high-value rental asset had been converted, in the first phase, into a sporting wasteland. This result was claimed as a heather to succumb to encroaching grass that so many harriers had swooped in: and the shooters said their fears about han harriers were vindicated.

A stalemate ensued, soured furthar by the society asserting that all other similar moorland must be rife with persecution because it had fewer harriers.

The highly contentious reintroduction of the wolf in northern America offers a parallel. But there is a critical differce. When the protests of the cattle ranchers were inevitably overcome, and the wolves leased, fears about ranches littered with the remains of valuable stock were not realised. Wolves did not decimate farm stock, they picked at it.

In Minnesota, where about 8,000 farms were situated within the reintroduction range, only one sheep out of 400 and one cow in every 6,100 was devoured. The state's total compensation bill

the harrier on its own could aliminate great swathes of the precarious moorland economy; and in Britain, no thought of compensa-tion for lost livelihoods has ever been entertained.

The powerful bird charity. however, risks being hoist with its own petard. For, in addition to wishing gamekeepers would leave alone the nests of hen harriers, the society acknowledges that management for grouse, with its selective vermin control, and careful mosaic patterning of the heather, is excellent for conservation generally. In particular, it sustains other, equally pre-cious, moorland breeding waders. In order to avoid the dread alternatives of intensive sheep farming (hebitat-damaging), and commercial conifer forestry (unecological monoculture), the society would like to have more grouse-managed moors - but

preferably run without the need to provide commercial quantities

conservation charity has driven it into a corner. It cannot stell-ach the idea of selective harrier controls, and it is aghast at the ossibility that millions of acti of British moorland should abandoned, following desertion by the shooting industry.

It has discovered that being big landowner (it holds 250.4) acres) results in unpopularity locally, and has become tentally about more large land purch Land controlled by the state with a medley of interest gro milling around unfettered, and devoid of heather manage has been shown to result in will

People may like goggling at birds; the reverse is not true The society theorists know that however radical the reform Europe's agricultural policy, will never go as far as paying people simply to manage mod land for its own sake.

Some form of tangible output is

The obvious way forward is to devise policies with which sport ing landowners could concut. The challenge waits to be to the moors, historical precedent favours the locals.

a No 1243; 1 Pott Kortt 2 Kis

